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Rt. Hon Frank Field MP  
Chair of Work and Pensions Select  
Committee  
House of Commons

25 June 2018

Dear Frank,

Thank you for your letter dated 18 May requesting information relating to sanctions.

**1) Could you please send us the sanction numbers and rates for Universal Credit claimants broken down into the following groups?**

- a) Work-focused interview requirement only
- b) Work preparation requirement
- c) All work-related requirements
- d) In-work conditionality

There are six labour market regimes in Universal Credit (UC). These are (cross-referenced with your requested groups):

- Working Enough
- No Work Related Requirements
- Work-focused Interview (work-focused interview requirement only)
- Work Preparation (work preparation requirement)
- Light Touch (in-work conditionality)
- Intensive Work Search (all work-related requirements)

Sanctions numbers and rates for all these groups are in the excel spreadsheet attached in Annex 1. Please note that we have retitled these groups compared with the publicly available statistics to provide as close a match to the groups you requested above. It is also worth adding that the UC data used in Annex 1 uses UC data that underlies the published UC sanction rate, i.e. the number of claimants under sanction at a particular point within the month.

You will see from the data in Annex 1 that sanctions are being applied to claimants that should not be subject to mandatory job search activity, such as those in the 'Working Enough' and 'No Work Related Requirements' regimes. This can happen if a claimant in one of those regimes is referred for a sanction when they were in a different regime but has subsequently moved regimes during the period that sanction was applied.

For those claimants who move into the 'No Work Related Requirements' because they have become parents or carers, the sanction is reduced to 40% of the standard allowance, in line with the other regimes for parents.

**2) Could you please send us sanction numbers and rates by jobcentre?**

Sanctions numbers and rates are in the attached spreadsheet Annex 2. As with the information provided in Annex 1, it contains UC data that underlies the published UC sanction rate, i.e. the number of claimants under sanction at a particular point within the month.

We are aware that variation exists in sanction rates across Jobcentre Plus Offices and we are looking into this as part of work addressing the Public Accounts Committee recommendation from February 2017. The Department has been examining sanctions data by a range of both claimant and geographical characteristics in order to better understand the reasons for variations in sanction referrals and outcomes. This analysis is currently ongoing and once it has been completed we will be able to share the findings with the committee.

**3) Could you please provide our Committee with the number of pre-appeal adverse sanction decisions for UC, JSA and ESA claimants dating back to 2008?**

The data requested on decision numbers are in the attached spreadsheet Annex 3. Question 3 refers to decisions and therefore we have given the total number of adverse decisions made in that month. However, it is important to note, this covers UC Live Service only as UC Full Service decisions are not, as yet, included in this data.

There are a number of reasons the UC sanction rate differs from the JSA rate, and is likely to fluctuate (both increase and decrease) over time. For example, under JSA, if a claimant fails to attend an appointment (e.g. work-focused interview) and we lose contact with them completely, after five working days with no successful contact we would close their claim. Under UC, because closing a claim would for many claimants mean not just ending their payment of the standard allowance but also other elements, such as, those for housing and children, they would be sanctioned instead, while we try to establish the cause for the loss of contact and do all we can to initiate re-contact and re-establish our relationship with that individual. This means that for the purposes of the statistics there is a higher rate of sanction in UC than in JSA, but this difference exists to ensure claimants still receive some payment, rather than nothing at all.

Changes in volumes, in part, reflect changes in caseloads. The UC Live Service caseload was steady throughout 2017 but is now starting to decline as people move to Full Service. Likewise, JSA and ESA decisions will decline as caseloads decline and claimants move to UC Full Service.

- 4) One witness expressed concern that a sanction under Universal Credit affects other elements of the benefit, such as housing. Could you please confirm whether this reflects correct application of a sanction and, if not:**
- a) how many cases you are aware of where elements other than the standard Universal Credit Allowance has been affected as a result of a sanction, and**
  - b) what steps you are taking to prevent this?**

Sanction deductions are calculated with reference to the UC standard allowance only. A sanction will reduce the UC award by no more than 100% of the standard allowance and should not affect any other elements in UC. We are not aware of any cases when a sanction deduction of more than the standard allowance has been applied to a claimant's UC award.

- 5) One witness told us that it was unclear whether hardship payments received following a sanction under UC would be repaid as a lump sum or over time. Please could you confirm the correct repayment structure for hardship payments and what guidance is provided to jobcentre staff to ensure hardship repayments are correctly administered?**

At the time that a Recoverable Hardship Payment award is made, a telephone call is made to the claimant to advise that we can make an award. This is to inform them the amount of the repayable hardship award and ask them whether they wish to accept it or not. If they accept, they are again advised that the award is repayable and verbal confirmation is asked of the claimant's acceptance of this.

There are no timescales for the repayment of the Recoverable Hardship Payments. They are recovered over time by deductions to the claimant's UC award once their UC payment is no longer reduced by a sanction or penalty. At the time that a Recoverable Hardship Payments award is made, a member of Jobcentre Plus will discuss with the claimant a mutually agreeable amount of recovery up to 40% of their standard allowance. However, as there is a priority list for debt recovery, recovery of hardship payments will not be processed if there are other debts in place which take precedence. For example, social fund loans, gas/electricity arrears and council tax arrears will be recovered ahead of hardship payments.

Recovery is suspended for any assessment period where the claimant or couple have earnings at least equal to the single claimant's or couple's combined Conditionality Earnings Threshold. The balance is written-off once this level of work is sustained for a period (or linking periods totalling) at least 26 weeks or 182 days since the last sanctionable failure or Fraud penalty date.

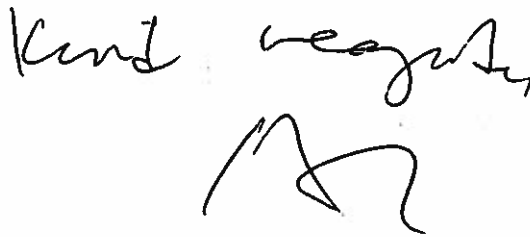
Where necessary (for example if a claimant cannot be contacted by telephone) a written notification is provided. A copy of the claimant notification letter is attached in Annex 4.

Detailed guidance is provided to our staff to ensure that the debt recovery process is administered correctly. The attached Annex 5 shows the guidance for debt recovery.

We provide comprehensive training and guidance to all of our dedicated Jobcentre staff to ensure that they are able to support our claimants in the most effective way. This includes the administration of hardship awards, designed to support those who need it most.

It is also important to remember that the majority of claimants are not sanctioned. For example, in March 2017 we published findings on the data collected up to the end of October 2016 in our trial relating to in-work progression, which showed that 98% of all trial participants were not sanctioned, and those that were sanctioned, were subject to low-level sanctions. Sanctions are only used in a minority of cases when people fail to meet their conditionality requirements without good reason, and the majority of our claimants work with their work coach to ensure they meet the requirements they have agreed to in their claimant commitment.

I hope that the information provided answers all of your questions. However, please do not hesitate to contact me again if you require any further information.

A handwritten signature in black ink, appearing to read 'Alok Sharma', written in a cursive style.

**Alok Sharma MP**  
**Minister of State for Employment**