

**Labour Market
Interventions Strategy
Division**

**ESA Sanctions
Official Statistics**

February 2012

Executive summary

This is the official statistics publication of conditionality sanctions¹ applied to claimants in receipt of Employment and Support Allowance (ESA)² who are in the Work-Related Activity Group (WRAG)³. It contains figures up to 30th November 2011.

The headline figures are:

There were 11,790 conditionality sanctions applied to ESA claimants in the WRAG between 1st December 2009 and 30th November 2010.

There were 10,130 conditionality sanctions applied to ESA claimants in the WRAG between 1st December 2010 and 30th November 2011.

Note that figures for 2009/10 are not comparable with future years due to ESA not starting until October 2008 and the benefit caseload building up from October 2008, in addition to policy changes during 2010/11 (see section 1.1.2 for further details).

Author(s) contact details

Simon Marlow
Labour Market Interventions Strategy Division
Department for Work and Pensions

Email Simon.Marlow@dwp.gsi.gov.uk

¹ A conditionality sanction may be applied to a claimant's benefit as a result of non-compliance with the requirement to attend Work-Focussed Interviews (WFIs) and/or undertake Work-Related Activity.

² Note that due to problems in data production, this particular release does not contain figures for the number of ESA WRAG claims eligible for a sanction during the latest period, which means that sanction rates have not been calculated.

³ If an ESA claimant is placed in the Work-Related Activity Group, they will be expected to take part in Work-Focused Interviews with their personal adviser. They will get support to help them prepare for suitable work.

Contents

1	Introduction	4
1.1	Sanctions	4
1.1.1	Summary	4
1.1.2	Background	4
1.1.3	Methodology	8
2	Headline Statistics	9
2.1	ESA sanctions	9
2.1.1	Volume	9
2.1.2	Average sanction duration	9
2.1.3	Average weekly amount of ESA sanction	9
2.1.4	Type of ESA sanction	10
3	ESA sanctioning process	11
3.1	The key aspects of the ESA sanctioning process	11
	Annexe A: ESA sanctions by condition	13

1 Introduction

1.1 Sanctions

1.1.1 Summary

This publication contains figures on conditionality sanctions applied to ESA claimants in the WRAG, from data⁴ up to and including **November 2011**. **Annexe A** provides a breakdown by main condition. The reporting period is determined by the latest Work Capability Assessment (WCA) data (usually three months prior to this publication) and the corresponding ESA WRAG caseload data a further 12 months prior to that (to allow a 12 month period for ESA WRAG in-flows). As a result, each quarterly publication will have a different reporting period as shown below:

Quarter of publication	Reporting period
February	Each year ending November, up to year ending November of previous year
May	Each year ending February, up to year ending February of current year
August	Each year ending May, up to year ending May of current year
November	Each year ending August, up to year ending August of current year

1.1.2 Background

Employment and Support Allowance replaced Incapacity Benefit, Severe Disablement Allowance and Income Support that is paid because of an illness or disability for new claimants from 27 October 2008. More information on IB/SDA can be found at the link below:

http://www.direct.gov.uk/en/MoneyTaxAndBenefits/BenefitsTaxCreditsAndOtherSupport/Illorinjured/DG_10018913

The WCA is a functional assessment of an individual's work capability and determines entitlement to ESA beyond the initial 13-week "Assessment Phase". It may include a face-to-face assessment if more information is

needed about an individual's illness or disability before a decision can be made on their capability for work. An approved healthcare professional, who has been trained in handling Employment and Support Allowance claims, will assess how the claimant's illness or disability affects their capability for work or work-related activity, and provide advice to the Department, who are responsible for administering benefit claims.

Further information on the two phases of ESA can be found at the link below:

http://www.direct.gov.uk/en/DisabledPeople/FinancialSupport/esa/DG_171894

Prior to 15th March 2010, all new ESA claimants were required to attend an initial Jobcentre Plus Work-Focussed Interview (WFI) between eight and thirteen weeks after making their claim except in cases where the WFI was deferred. If the claimant remained on ESA and was not placed in the Support Group at their WCA, they were then, under the Pathways to Work programme, required to attend a further five WFIs at four week intervals⁵ either with Jobcentre Plus or with a Provider.

Two changes to the conditionality and Work Focused Interview (WFI) regime were then made during 2010:

- From 15th March 2010, all new ESA claimants still had to attend the initial Jobcentre Plus WFI but only claimants placed in the Work Related Activity Group (WRAG) at their initial WCA were then required to attend the subsequent series of WFIs. This meant that claimants appealing a fit for work decision were not required to attend further mandatory WFIs during the appeal period⁶.

⁴ Note that due to problems in data production, this particular release does not contain figures for the number of ESA WRAG claims eligible for a sanction during the latest period, which means that sanction rates have not been calculated.

⁵ Claimants were required to attend WFIs before they had completed their WCA, resulting in some claimants attending a number of WFIs and subsequently being found Fit for Work or being placed in the Support Group.

⁶ Also from this date WFI flexibilities were introduced, meaning that advisors both within Jobcentre Plus pathways and Provider led Pathways had the flexibility to conduct the subsequent five mandatory WFIs over a maximum of twelve months rather than at fixed points in the claim.

- Further to this change, from 4th October 2010 only new ESA claimants who were placed in the WRAG at their initial WCA were required to attend the initial Jobcentre Plus WFI and the subsequent series of WFIs.

Failure to attend or participate in any one of these six WFIs without good cause resulted in a sanction being applied to the claimant's benefit (see section 3 for further details).

Note that these changes have not impacted on either the number of claimants eligible for a sanction or the number of WFIs that these claimants must attend. Since the introduction of ESA, only ESA WRAG claimants have been eligible for a conditionality sanction since it is applied to their work-related activity component, and the series of six WFIs has also applied.

The key dates over the transition period between the end of the Pathways to Work programme and the Jobcentre Plus Offer / Work Programme are shown below:

Pathways area	Last referral date	Programme end date	Date that ESA Claimants started accessing Jobcentre Plus Offer
JCP Pathways	17 th February 2011	31 st March 2011 ⁷	4 th April 2011
Provider-led phase 1	17 th February 2011	31 st March 2011	4 th April 2011
Provider-led phase 2	16 th March 2011	27 th April 2011	28 th April 2011

Claimants placed in the WRAG after the last referral dates up until the 4th / 28th April were referred for an initial Jobcentre Plus WFI and then had a New Joiners WFI (NJWFI) after the dates in the table above (dates in the 4th column). In Jobcentre Plus Pathways areas only, these claimants could continue to receive support from Jobcentre Plus up until then.

All these claimants, as well as new ESA claimants placed in the WRAG from the 4th / 28th April, were referred for an NJWFI from these dates.

After their NJWFI, each claimant's journey depended on their prognosis (3/6 months or 12 month +) and on whether they were receiving income-related or contributory based ESA as follows:

- All claimants (income-related and contributory) with a 12 month + prognosis were immediately mandated to the Jobcentre Plus Offer, unless they volunteered for the Work Programme.
- Income-related claimants with a three/six month prognosis who had reached their Work Programme referral point⁸ at their NJWFI waited for a Work Programme referral interview when the Work Programme contract package areas went live⁹. Income-related claimants with a 6 month prognosis who had not reached their Work Programme referral point at their NJWFI would have had a Work Programme referral interview when the Work Programme had gone live in their area or three months after being placed in the WRAG, whichever was later. Some of these claimants would have received more interviews with Jobcentre Plus than in the normal Work Programme journey¹⁰ due to the gap between being placed in the WRAG and the Work Programme contract package areas going live.
- Contributory claimants with a three/six month prognosis could volunteer for the Work Programme¹¹ and if not they would have been immediately mandated to the Jobcentre Plus Offer.

A further change occurred in June 2011 when ESA claimants were required to undertake Work-Related activity. This meant that claimants could be sanctioned for failing to satisfy requirements. However, we note that the methodology does not allow the possibility to distinguish between sanctions

⁷ To keep things operationally clean, JCP Pathways actually terminated on 1st April 2011

⁸ The WP referral point is on the date of the WCA decision for those with a 3 month prognosis, and 3 months before the prognosis for those with a 6 month prognosis (i.e. 3 months after the WCA decision).

⁹ The WP went live in a phased manner through the month of June 2011. Although the public launch was 10th June 2011, the policy came into effect on 1st June 2011. Contract package areas came on-line as and when WP Providers were ready throughout the month of June with the final provider being ready early July.

¹⁰ In the normal WP journey: for claimants with a 3 month prognosis the WP referral interview would be combined with the NJWFI for 3 month prognosis claimants since they had already reached their WP referral point; and claimants with a 6 month prognosis would have an NJWFI followed by a WP referral interview at their WP referral point – 3 months after being placed in the WRAG.

¹¹ They would then have had to follow the mandatory activity for the WP.

arising from failing to attend a WFI and sanctions arising from failing to satisfy Work-Related activity requirements.

1.1.3 Methodology

The sanction figures in this publication are derived from the ESA payments system (JSAPS) data¹², where a conditionality sanction has been applied to a claimant's Work-Related Activity Component¹³ (WRAC). Use of the JSAPS data also allows calculation of sanction durations and average amounts of ESA sanctioned.

Weekly ESA scans taken from JSAPS are compared, and reductions in amounts of weekly benefit, which are equal to known sanction amounts for the WRAC, are obtained (see section 3 for further details of types of sanctions). This sanctions information is then merged with information on all ESA claimants to verify that each sanction relates to an ESA claimant. Sanctions are only matched where the sanction date occurs on or after the ESA start date and before the ESA end date (if the claim has ended), though we do allow a small tolerance on the match to allow for uncertainties in the end dates.

It is possible that a small proportion of payment drops may be due to an increase in working hours for an ESA Income-Related claimant, which have been incorrectly counted as a sanction. Equally, it is possible that a small proportion of sanctions may have been missed due to an increase in a claimant's benefit payment for a decrease in their (or their partner's) working hours, occurring at exactly the same time as a sanction. Both of these situations are very unlikely to occur and will therefore have negligible effect on the number of sanctions recorded.

¹² There may be a small proportion (around 1% - 2%) of sanctions included where a person has a sanction applied on JSAPS, which is later overturned and for which they are reimbursed. It is not possible to identify these using the JSAPS data.

¹³ If an ESA claimant is placed in the Work-Related Activity Group, then they will receive a further payment (Work-Related Activity Component) in addition to their basic rate of ESA.

2 Headline Statistics

These figures are for all conditionality sanctions imposed on ESA claimants in the WRAG between 1st December 2010 and 30th November 2011.

These figures are not comparable over time. ESA started in October 2008 and the benefit caseload is increasing over time meaning that the WRAG client base eligible for sanctions is also increasing (this is also the denominator for the sanction rates). There were also major policy changes during 2010/11, these are outlined in further detail in section 1.1.2.

2.1 ESA sanctions

2.1.1 Volume

There were 10,130 conditionality sanctions imposed on ESA claimants in the WRAG between 1st December 2010 and 30th November 2011. Some ESA WRAG claims were sanctioned more than once, such that 8,510 ESA claims incurred a conditionality sanction between 1st December 2010 and 30th November 2011.

2.1.2 Average sanction duration

Of the 10,130 ESA conditionality sanctions applied between 1st December 2010 and 30th November 2011 which have now ended, the average sanction duration was 6 weeks.

2.1.3 Average weekly amount of ESA sanction

Of the 10,130 ESA conditionality sanctions applied between 1st December 2010 and 30th November 2011, the average weekly amount of the ESA Work Related Activity Component (WRAC) sanctioned was £21.82 in comparison to the total WRAC of £26.75.

2.1.4 Type of ESA sanction

Of the 10,130 conditionality sanctions imposed on ESA claimants in the WRAG between 1st December 2010 and 30th November 2011:

- 3,690 (36%) had a 50% reduction in their Work-Related Activity component applied
- 6,440 (64%) had a 100% reduction in their Work-Related Activity component applied

3 ESA sanctioning process

3.1 The key aspects of the ESA sanctioning process

Sanctions are a reduction in benefit, applied to benefit claimants who do not abide by certain conditions of their benefit claim. For example, ESA claimants are subject to conditionality sanctions if they fail to attend (FTA) or fail to participate (FTP) without good cause, in any one of the six Work-Focused Interviews (WFIs), which they were required to attend as part of the now closed Pathways to Work programme. Like many other decisions made by the Department, sanction decisions carry appeal rights.

ESA Conditionality sanctions affect the Work-Related Activity Component (WRAC) only, reducing it by either 50% or 100%. They only affect the claimant's benefit during the Main Phase as the Work-Related Activity Component is not payable during the Assessment Phase. A 50% reduction in the Work-Related Activity Component is applied when the claimant fails to attend or to participate in a WFI without good cause. This will increase to 100% after 4 weeks if the claimant still does not comply with WFI conditionality without good cause.

In terms of how sanctions differ between the two rates of ESA:

- ESA (Contributory) – sanction applies to the claimant only.
- ESA (Income Related) – sanction can apply to the claimant, partner or family member.

If the claimant is unhappy with the reason given by the Department for a benefit sanction being applied, they can appeal for this to be overturned. To do so, the appeal must be in writing by the claimant or someone authorised by the claimant to act on their behalf. A statement or letter can be accepted if the claimant or their representative provides sufficient information to enable the

appeal to proceed. An appeal must be made within one calendar month of the date of issue of the outcome decision.

ESA sanctions are recorded on Labour Market System (LMS) for all 6 WFIs in JobCentre Plus Pathways areas and the initial Jobcentre Plus WFI in Provider-Led Pathways areas. Sanctions for the remaining 5 WFI's in Provider-Led Pathways areas, along with the sanctions already recorded on LMS noted above, are recorded on the Decision Making and Appeals System (DMAS) by the Benefits Delivery Expert Labour Market (BDE LM). A paper form is then sent to the Benefits Delivery Officer (BDO) to update the ESA payment system (JSAPS) manually.

Annexe A: ESA sanctions by Condition

Table 1 – Number and proportion of conditionality sanctions imposed on ESA claimants in the WRAG between 1st December 2010 and 30th November 2011, by main disabling condition

Main Disabling Condition	Number of sanctions (total)
Mental and Behavioural Disorders	4,490
Diseases of the Nervous System	370
Diseases of the Circulatory System or Respiratory System	540
Diseases of the Musculoskeletal system and Connective Tissue	1,710
Injury, Poisoning and certain other consequences of external causes	840
Other	2,190
Total	10,130

Note: Totals may not sum due to rounding. Figures are rounded to the nearest 10.