

[Department
for Work &
Pensions](#)

Research and analysis

Benefit sanctions evaluation context note, 6 April 2023

Published 6 April 2023



© Crown copyright 2023

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at <https://www.gov.uk/government/publications/the-impact-of-benefit-sanctions-on-employment-outcomes-draft-report/benefit-sanctions-evaluation-context-note-6-april-2023>

This draft report was produced by the Department in response to the Work and Pensions Select Committee (WPSC) recommendation in its report, published in November 2018, that ‘the Department urgently evaluate the effectiveness of reforms to welfare conditionality and sanctions introduced since 2012 in achieving their stated policy aims’. In addition, the WPSC recommended that the evaluation include an assessment ‘of the impact sanctions have on claimants’ financial and personal well-being’. The government’s response accepted the recommendation and made the commitment that: ‘UC administrative data will be used to look at the impact a sanction has on an individual’s likelihood of entering work and on their earnings once they are in work’. This drew on the approach used in international literature to assess the impact of sanctions. Some sub-group analysis is also included.

The analysis is limited to the impact on those that get sanctioned as a consequence for non-compliance with their Universal Credit claimant commitment and does not address the deterrent impact of the sanctions regime on all claimants. In addition, the evaluation methods used cannot fully account for differences in characteristics between those who were sanctioned and those who were not sanctioned. Therefore it does not present a comprehensive evaluation of the impact of benefit sanctions. Given this, the decision not to publish the report was made as it was felt that the report would present a misleading picture, despite the limitations being outlined in the report.

The Department received several FOI requests and three ICO decision notices requesting the release of the sanctions evaluation. Whilst DWP reserved the right to appeal these decisions, to aid transparency the Secretary of State has agreed to publish the draft report.

There are several important points any reader needs to consider which are outlined below, alongside those made in the report itself:

1. The relatively small negative financial effect reported for those sanctioned should be balanced against the likely positive deterrent effect that the sanction regime introduces by incentivising claimant attendance, an effect which will be experienced by all claimants subject to conditionality, regardless of whether they are sanctioned. The evidence for this is based on previous reports by the Department:

- Evidence gathered through Randomised Control Trials show that conditionality supported by sanctions is effective at supporting people into work. (Weekly Work Search Review Trial (Weekly signing first 13 weeks)^[footnote 1]; Jobseeker’s Allowance Signing Trials (Weekly signing post 13 weeks)^[footnote 2]; Jobseekers Allowance Intervention Pilots Quantitative Evaluation (Fortnightly signing)^[footnote 3])
- Over 70% of JSA and over 60% ESA recipients say that sanctions make it more likely they will comply with reasonable and agreed requirements (i.e. conduct work search). (The Jobcentre Plus Offer: Final evaluation report)^[footnote 4]
- 72% of UC claimants agreed that the potential for sanctions meant they were more likely to conduct work search - UC extended gateway evaluation

2. This report was completed in draft form in August 2020. As the report was only in draft form it has not been through the full sign off processes that would typically be applied to official analytical publications.

3. The policy and statistics reflect those at the time of writing and as will be discussed further, there have since been a number of policy changes, impacting upon the applicability of the report's findings to the current sanctions and conditionality regime.

4. This analysis was completed in August 2020 and conducted on UC claims from January 2016 to April 2019. The sanctions regime and rate were not stable across this period. This analysis is now dated and does not consider the impact of COVID-19. All this limits the extent to which the results are generalisable across different sanction trends and the current caseload composition.

5. The report suggests that during the time covered (January 2016 to April 2019) and at the time of writing, the sanction rate reduced from 6% in August 2017 to below 3% in August 2018. Since the report was completed, the UC Full Service (UCFS) sanction rate data shows a different trend. The monthly rate of UCFS claimants with a sanction deduction remained largely stable from April 2019 until March 2020. At this time there was a sharp downwards trend, which coincided with an increase to the UC caseload during the COVID-19 pandemic. Prior to legislation changes made on 30 March 2020, 2.51% of UC full-service claimants subject to conditionality at the point where the sanction was applied had a deduction taken from their UC full-service award because of a sanction. The UCFS sanction rate reached a post-pandemic peak of 6.86% in October 2022. In both instances this is a small proportion of the overall UC caseload. The number of UCFS claimants in the conditionality regimes that are subject to sanction has changed since the time this analysis was conducted. In April 2019, 990 thousand claimants (51%) were in the searching for work, planning for working, preparing for work and unknown or missing conditionality regimes. This number had risen to 1.81 million (31%) in November 2022. The different proportions in these group reflect the overall increase in Universal Credit caseloads over this same time period.

It is important to note that the definition used to calculate the Official Statistics on UC sanction rate has been changed since the time this report was written (August 2020). A change was made to the UC sanction rate definition in the November 2021 release to bring it in line with operational implementation of sanction policies. Claimants in the "working with requirements" (light touch) conditionality group had their work-search and work-preparation requirements switched off. As such, the definition used to calculate the rate was changed to properly reflect the implementation of the policy, removing claimants in this group from the count of UC claimants subject to conditionality (which is used in the rate calculation). Further details surrounding the impact of this change can be found in [Benefit sanctions statistics to July 2021 \(experimental\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/benefit-sanctions-statistics-to-july-2021-experimental) (<https://www.gov.uk/government/statistics/benefit-sanctions-statistics-to-july-2021-experimental>).

Additionally, investigations into the UC full service rate methodology highlighted that the methodology currently used to calculate the UC rate differs from that described in versions of the release published before November 2020, with open sanctions already being included in the measure for UC full service. Investigations to establish if this is also the case for UC live service are ongoing, so we suspended UC live service data from the rate and currently only publish UC sanction rates for UC full service from April 2019. For more information on this, please see [Benefit sanctions statistics to October 2022 \(experimental\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/benefit-sanctions-statistics-to-october-2022-experimental/benefit-sanctions-statistics-to-october-2022-experimental) (<https://www.gov.uk/government/statistics/benefit-sanctions-statistics-to-october-2022-experimental/benefit-sanctions-statistics-to-october-2022-experimental>).

1. **Weekly Work Search Review Trial (Weekly signing first 13 weeks)**
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/721910/weekly-work-search-review-trial.pdf
(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/721910/weekly-work-search-review-trial.pdf)
2. **Jobseeker's Allowance Signing Trials (Weekly signing post 13 weeks)**
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/398803/jsa-signing-trials.pdf
(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/398803/jsa-signing-trials.pdf)
3. **Jobseekers Allowance Intervention Pilots Quantitative Evaluation (Fortnightly signing)**
<https://webarchive.nationalarchives.gov.uk/20130314010347/http://research.dwp.gov.uk/asd/asd5/rrs-index.asp>
(<https://webarchive.nationalarchives.gov.uk/20130314010347/http://research.dwp.gov.uk/asd/asd5/rrs-index.asp>) (Takes you to the Index – RR382)
4. **The Jobcentre Plus Offer: Final evaluation report**
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/261656/rrep852.pdf
(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/261656/rrep852.pdf)
5. **Universal Credit extended gateway evaluation (pg. 38)**
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/481865/universal-credit-extended-gateway-evaluation.pdf
(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/481865/universal-credit-extended-gateway-evaluation.pdf)

OGI

All content is available under the Open Government Licence v3.0, except where otherwise stated

© Crown copyright