

Jobseeker's Allowance Sanctions in Tower Hamlets

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Summary

This briefing provides statistics about Jobseeker's Allowance (JSA) sanctions in Tower Hamlets. JSA claimants can be sanctioned, and have their benefits stopped for a fixed period, if they fail to meet certain conditions or carry out prescribed job search activities. This report explores the impact of sanctions, under the new tougher regime, which came into effect in October 2012.

- The use of sanctions has become far more widespread in recent years – both nationally and locally. In Tower Hamlets, **the number of sanctions applied has increased six-fold** between 2005-06 and 2012-13.
- In the first year of the new sanctions regime (22 October 2012-September 2013), a total of **6,505 sanctions were applied in Tower Hamlets, affecting 4,284 individuals** – an average of 1.52 sanctions per person.
- Of the 6,505 sanctions applied, 58 per cent were **low level sanctions**: 30 per cent which were applied because claimants failed to participate in the Work Programme and 20 per cent because claimants failed to attend an adviser interview.
- The majority (73 per cent) of people facing low level sanctions were given 4-week sanctions as it was their first sanction. However, 27 per cent were given longer **3-month sanctions** as this was their second or subsequent sanction.
- **Intermediate sanctions** account for 36 per cent of all sanction decisions. Most were applied for claimants failing to 'actively seek work'. Almost one in five (19 per cent) of people sanctioned at this level were given 3-month sanctions.
- 6 per cent of sanctions were **higher level sanctions**, most of which were 3-month sanctions. These were applied for reasons such as leaving a job voluntarily or failing to apply for, or accept a job as directed.
- **Young people** aged 18-24 are disproportionately affected by sanctions. Claimants aged 18-24 make up over one third (36 per cent) of those sanctioned compared with one quarter of JSA claimants generally.

- Men make up just over two thirds (68 per cent) of those sanctioned compared to 61 per cent of JSA claimants generally. While men are over-represented among those sanctioned, the proportion sanctioned who are **women, has been increasing** steadily in recent years from 21 per cent in 2008 up to 32 per cent under the new regime.
- The increase in the number of women being sanctioned is consistent with changes to lone parent benefits, which have led to more lone parents claiming JSA as opposed to Income Support. Between 2008 and 2013, the percentage of those sanctioned in Tower Hamlets who were **lone parents, rose from 1 to 7 per cent** – the majority were women.
- The **ethnic profile** of those sanctioned is broadly similar to the ethnic composition of JSA claimant population. However, as Black and Bangladeshi residents have higher unemployment rates compared with other groups, they are significantly over-represented on both the JSA claimant count, and among the sanctioned population, when compared to the working age population generally.
- Of the 4,284 individuals sanctioned under the new regime in Tower Hamlets, 15 per cent (659 people) said they were **disabled**.
- Sanctions under the new regime are typically longer in duration, so the level of **financial hardship** faced by claimants can be significant. Nationally, the CAB has seen a 36 per cent rise in the number of JSA sanction related enquiries, since the new regime came in.
- CAB has also reported a rise in the number of **foodbank** vouchers it issues for sanctioned claimants. Locally, the Tower Hamlets Foodbank has reported seeing more single clients over the year, which is, in part, due to the impact of sanctions.
- There is considerable **concern about the way the sanctions regime is working in practice**, and various organisations have argued that aspects of the process are unfair, poorly administered and counterproductive. Key issues highlighted include:
 - a consistent failure to notify people that they are being sanctioned and why;
 - a lack of flexibility and misapplication of sanctions reducing the likelihood of people finding work;
 - a failure to make those sanctioned aware of the availability of hardship payments;
 - the erroneous triggering of a stop in housing benefit as a result of a sanction;
 - the lack of awareness among claimants about the reconsideration and appeals process.
- Furthermore, there is emerging evidence to suggest that the new tougher sanctions regime has been **discouraging some claimants from continuing their JSA claim**. Labour market analysts have suggested that this could be one (of several) factors behind the significant fall in claimant count unemployment over the last year. Local evidence provides some support for this theory, but the scale of the issue remains unknown.
- This report has provided an interim assessment of the impact of sanctions in Tower Hamlets. **Future analysis** is planned on the topics of reconsideration and appeals as well as the prevalence of hardship payments. The team also plans to continue monitoring sanction statistics to assess longer term impacts of the new sanction rules.

Background

This briefing provides statistics about Jobseeker's Allowance (JSA) sanctions in Tower Hamlets. The analysis is part of a wider programme of research designed to understand the impacts of welfare reforms on residents.

JSA is mainly paid to those who are unemployed and seeking work, but can also be paid to people working part-time¹. There are two types of JSA: contributions-based JSA (for those who have paid enough National Insurance contributions) and income-related JSA which is means-tested. In Tower Hamlets, the majority (84 per cent)² of JSA claimants are in receipt of income-related JSA so are heavily dependent on JSA for their income.

To qualify for JSA, residents must meet certain rules and conditions. These include:

- The claimant has to be actively seeking work, be available for work and be capable of work;
- The claimant must agree to a Jobseeker's Agreement or the new 'Claimant Commitment' with the Jobcentre Plus office, which sets out what is expected of the claimant to find work. The Claimant Commitment, which was introduced in October 2013 (on a rolling programme), is a new kind of agreement that is more specific, and exacting, about what is expected.
- The claimant must 'sign on' at the Jobcentre Plus office at least every two weeks so that the Jobcentre can check conditions are being met and claimants are expected to supply evidence of their job search activities.

If a claimant fails to keep to conditions, or follow particular directions, this can result in a **benefit sanction**: that is, benefit being stopped for a certain period. A new, and tougher, sanctions regime was introduced on the 22nd October 2012. The new regime aims to strengthen conditionality for JSA and move claimants closer to the sanction rules planned for Universal Credit.

This analysis explores the extent to which sanctions are being used in Tower Hamlets and considers:

- Trends in JSA sanctions over the last ten years;
- Sanctions under the new regime;
- Level and length of sanctions;
- Reason for sanctions;
- Characteristics of those affected;
- Impacts of sanctions;
- Problems with the sanctions process;
- The relationship between sanctions and the claimant unemployment count;
- Future analysis.

¹ Defined as less than 16 or 24 hours per week - depending on circumstances.

² Source: DWP via nomisweb.co.uk (5% sample of JSA claimants in Tower Hamlets as at Nov. 2013)

Technical note about retrospective revisions to sanctions data

All sanctions data in this report were extracted from the DWP's Stat-Xplore website in March and April 2014. DWP regularly revises sanctions statistics (retrospectively) to take account of new information about reconsidered decisions and appeals. This means figures quoted here may differ marginally from statistics currently on the website – which have subsequently been revised.

Trends in JSA sanctions 2003-2013

This section explores trends in sanction numbers over the last ten years in Tower Hamlets. Three different measures are considered:

- The number of **adverse decisions** made: adverse decisions are where a sanction referral is made that results in a decision against the claimant, meaning that a sanction is applied and benefit stopped for a fixed period ([figure 1](#))
- The number of **individuals who received an adverse decision**: people can be sanctioned more than once, so it is also relevant to monitor the number of residents affected by sanctions in any given period ([figure 2](#)).
- **The sanction rate** (the number of adverse sanction decisions per month expressed as a percentage of the claimant unemployment count that month). The claimant count captures the total number of JSA claimants who could potentially be subject to sanctions at any one time. Using available data, it is not possible to estimate what proportion of claimants are being sanctioned at a point in time, as sanctioned individuals are not identified on JSA data. However, it is possible to express the number of sanctions applied per month as a proportion of the claimant count – in effect, this measure assesses whether sanctions are becoming more or less used as a tool by DWP, taking account of trends in the claimant count ([figure 3](#)).

These three measures are charted in [figures 1 to 3](#). On all three indicators, the trend data illustrate the significant rise in the number of JSA sanctions being applied. The number of adverse decisions has increased six-fold between 2005-06 and 2012-13 (October-September periods) and the number of individuals affected each year has more than quadrupled over the same period.

Overall, over the last ten years (2003-13), a total of 66,160 sanction referrals were made. These resulted in 36,222 adverse decisions (resulting in sanctions), which affected 17,608 individuals.

Sanctions have also risen in relation to the size of the claimant count: the sanction rate (monthly sanctions as a percentage of the count) rose from 1.1 per cent in 2005-06 up to 5.7 per cent during 2012-13 (monthly averages). Furthermore, sanctions have continued to rise over the last year despite a significant fall in the claimant count during 2013. The relationship between sanctions and the claimant count is explored in more detail later (page 14). Across Great Britain, sanction numbers have also showed significant rises on all three measures.

Figure 1: Number of adverse sanction decisions against JSA claimants, Tower Hamlets, 2003-2013

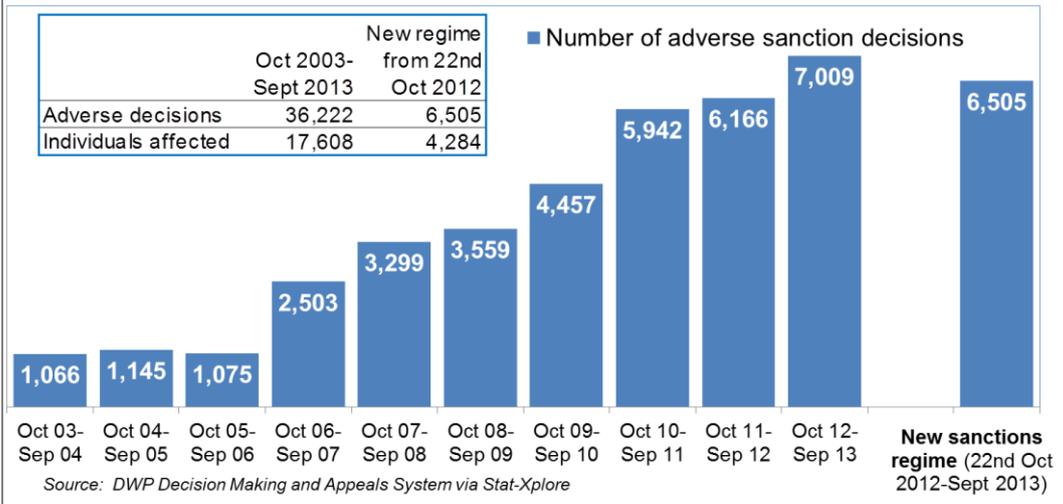


Figure 2: Number of individuals subject to adverse sanctions, Tower Hamlets, 2003-2013 (annual totals)

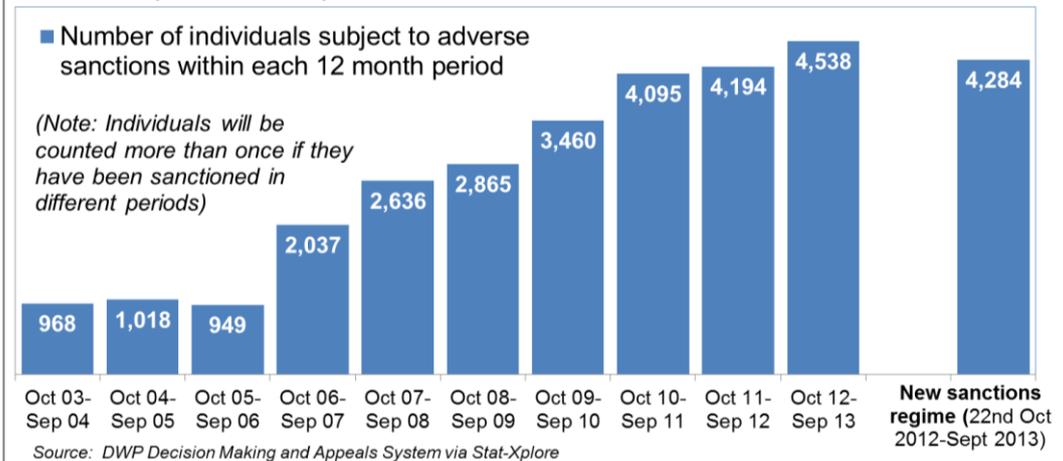
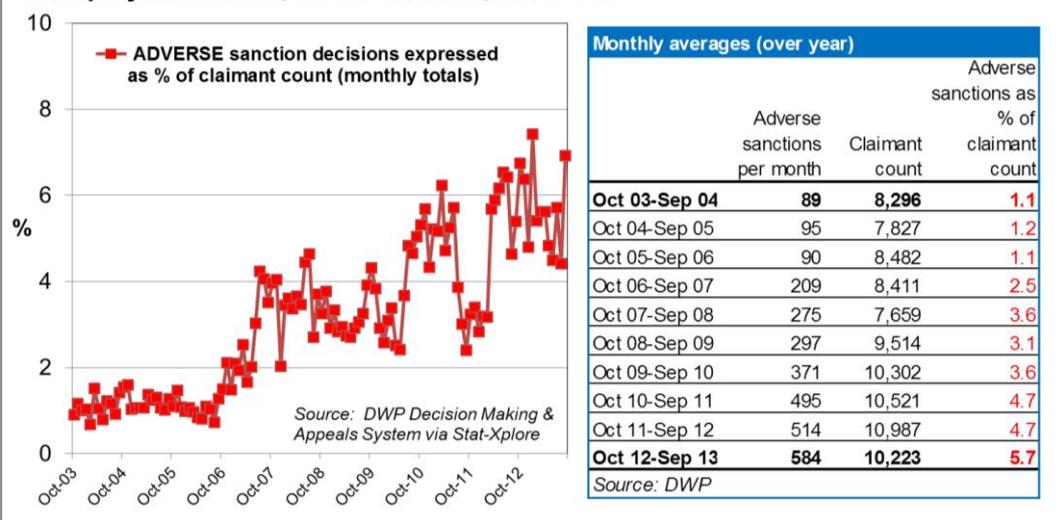


Figure 3: Monthly sanctions expressed as a percentage of the claimant unemployment count, Tower Hamlets, 2003-2013



The new sanctions regime

The Welfare Reform Act 2012 introduced a new JSA sanctions regime which came into effect on the 22nd October 2012. The new rules³ aim to strengthen conditionality for JSA and aim to move claimants closer to the sanction regime planned for Universal Credit.

Figure 4: Overview of sanction levels and length under the new regime

Sanction level	Length of sanction	Main reasons for sanctions at these levels
Low level	4 weeks for first failure, 13 weeks for subsequent.	<ul style="list-style-type: none"> • Failure to participate in Work Programme • Failure to attend adviser interview
Intermediate level	Applied following period of disallowance: 4 weeks for first, rising to 13 weeks for subsequent.	<ul style="list-style-type: none"> • Not actively seeking employment • Not being available for work
High level	13 weeks for first failure, 26 for second, and 156 weeks for third and subsequent.	<ul style="list-style-type: none"> • Leaving a job voluntarily • Failure to apply for, or accept, a job without good reason
Source: DWP		

The new regulations introduced a regime of fixed period sanctions comprising three levels of sanctions. The length of the sanction applied depends on what level of sanction is applied as well the number of sanctions a person has had (figure 4). Compared with the old regime, sanctions are typically longer. The minimum period of sanction is now 4 weeks instead of 1 week and the maximum period is 3 years instead of 6 months.

Sanction numbers under the new regime

Since the new sanctions regime was introduced (22nd October 2012), a total of 13,828 sanction referrals were made in Tower Hamlets up to September 2013.

Table 1 shows the outcome of these referral decisions. Just under half of all referrals resulted in an adverse sanction decision – that is a loss of benefit. The number of adverse decisions was **6,505 which affected 4,284 individuals** – an average of 1.52 sanctions per person to date.

Around 21 per cent of all referrals were found in favour of the claimant – so no sanction was applied. Just under one third of all referrals were reserved or cancelled⁴. A 'reserved decision' normally applies when a sanction is appropriate, but can't be applied because the claimant is no longer claiming. Decisions are 'cancelled' when the claimant is no longer claiming JSA at the time of the referral.

³ <http://webarchive.nationalarchives.gov.uk/20130627060116/http://www.dwp.gov.uk/docs/jsa-sanction-changes.pdf>

⁴ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/285603/foi-571-2014.pdf

Table 1 JSA sanction decision outcomes under new regime (22 October 2012-September 2013), Tower Hamlets		
	Number of decisions	% total
All decisions	13,828	100
By outcome:		
Non-adverse (no sanction applied)	2,947	21
Adverse (sanction applied)	6,505	47
Reserved*	576	4
Cancelled*	3,801	27
<i>Source: DWP (via Stat-Xplore). DWP randomly adjusts figures to avoid the release of confidential data, and for this reason, figures do not sum exactly to the totals shown.</i>		
<i>* A <u>cancelled/reserved</u> decision can occur in various circumstances e.g. the claimant stops claiming before a decision is made or a sanction can be applied.</i>		

Table 2 JSA adverse sanction decisions, by level and reason, under new sanctions regime, Tower Hamlets (22nd October 2012 to 30th September 2013)		
	Number	% total
TOTAL: All adverse sanction decisions	6,505	100
Low level: total	3,750	58
Failure to participate in a scheme - Work Programme	1,972	30
Failure to attend or failure to participate in an Adviser interview	1,286	20
Refusal or failure to comply with a Jobseeker's Direction	326	5
Failure to participate in a scheme - Skills Conditionality	156	2
Other reasons	5	0
Intermediate level: total	2,349	36
Not actively seeking employment	2,229	34
Not being available for work	118	2
High level: total	401	6
Refusal or failure to apply for, or accept if offered, a job which an employment officer has informed is/about to become vacant	163	3
Left employment voluntarily	130	2
Failure to participate in Mandatory Work Activity	96	1
Losing employment through misconduct	16	0
<i>Source: DWP Decision Making and Appeals System via Stat-Xplore</i>		
<i>Notes: DWP randomly adjusts figures to avoid the release of confidential data, and for this reason, figures do not sum exactly to the totals shown.</i>		

Sanction level, reasons and length

Table 2 shows the sanction decisions in Tower Hamlets broken down by level and reason. Of the 6,505 adverse decisions, 58 per cent were **low level sanctions**. The two main reasons for sanctions at this level were:

- Failure to participate in the Work Programme without good reason – accounting for 30 per cent of all sanction decisions;
- Failure to attend/participate in an adviser interview accounting for 20 per cent of all sanctions.

Intermediate sanctions apply where a claimant has had a JSA award 'disallowed' because they were found to be 'not actively seeking work' or 'not available for work'. When the claimant re-claims JSA after the period of disallowance the **intermediate sanction** is applied. These account for 36 per cent of all sanctions - most were applied following a disallowance due to the claimant not actively seeking work.

Higher level sanctions made up 6 per cent of all sanctions. The two main reasons for these were cases where a claimant was deemed to have left a job voluntarily or where they has failed to apply for, or accept, a job, without good reason.

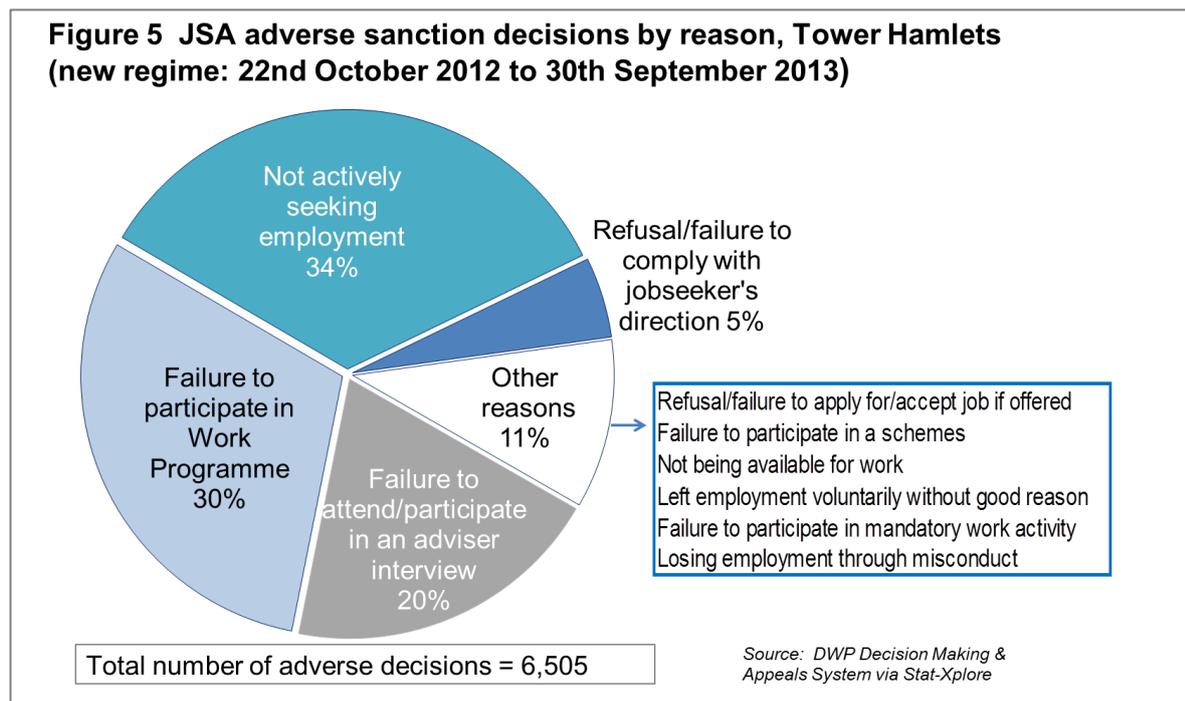


Table 3 shows the number of individuals affected by sanctions by the number of sanctions they have had (within each sanctions level). Those subject to lower level sanctions were the most likely to have been sanctioned more than once: 27 per cent had been sanctioned 2 or more times meaning they have faced sanctions of 3 months in length.

Almost one in five (19 per cent) of those sanctioned at the intermediate level had been sanctioned more than once.

At the higher level, where sanctions start at 3 months for the first failure, the majority had been subject to just one sanction so far. Though a small minority (23 residents) had been subject to 2 higher level sanctions, meaning they would have had their benefit suspended once for 3 months, then again for 6 months.

As time passes and the new sanctions regime becomes more established, it is quite possible that claimants may be more likely to face subsequent sanctions, so the numbers receiving facing longer sanctions may well increase.

Table 3 Number of adverse sanctions per claimant by level, Tower Hamlets, new regime (22nd October 2012-Sept 2013)

Sanctions level**	No. individuals sanctioned by number of adverse decisions in the last 12 months (within each level)			Total*	% sanctioned more than once
	1	2	3 or more		
Low level					
Number of individuals	1,872	427	257	2,552	27
Sanction length (weeks)	4 weeks	13 weeks	13 weeks		
Intermediate level					
Number of individuals	1,537	291	73	1,900	19
Sanction length (weeks)	4 weeks	13 weeks	13 weeks		
High level					
Number of individuals	350	23	0	372	6
Sanction length (weeks)	13 weeks	26 weeks	156 weeks		
Source: DWP Decision Making and Appeals System via Stat-Xplore					
* DWP randomly adjusts figures to avoid the release of confidential data, and for this reason, <u>figures do not sum exactly to the totals shown.</u>					
** Claimants can have multiple sanctions at different levels (so may be counted under more than one level).					

Characteristics: Age

Figure 6 compares the age profile of those sanctioned with the age profile of JSA claimants generally. While sanctions hit people of all ages, young people aged 18-24 are disproportionately affected. Claimants aged 18-24 make up well over one third (36 per cent) of those sanctioned compared with one quarter of JSA claimants generally.

Characteristics: Gender

Men make up just over two thirds (68 per cent) of those sanctioned compared to 61 per cent of JSA claimants generally (figure 7). While men are slightly over-represented among those sanctioned, the proportion sanctioned who are women, has been increasing steadily in recent years: the percentage of individuals sanctioned who are women has risen from 21 per cent in 2008 up to 32 per cent under the new regime (figure 8).

The rising number of women being sanctioned is consistent with changes to lone parent benefits. Since 2008, unemployed lone parents with older children have to claim JSA instead of Income Support - so now face conditionality & sanctions.

Between 2008 and 2013, the percentage of those sanctioned who were lone parents increased from 1 to 7 per cent – the majority were women. Since the new sanctions regime started in October 2012, 310 lone parents have been sanctioned – most (289 - 93%) were women.

Figure 6 Age profile of those sanctioned compared with the age profile of JSA claimants, Tower Hamlets (October 2012-September 2013)

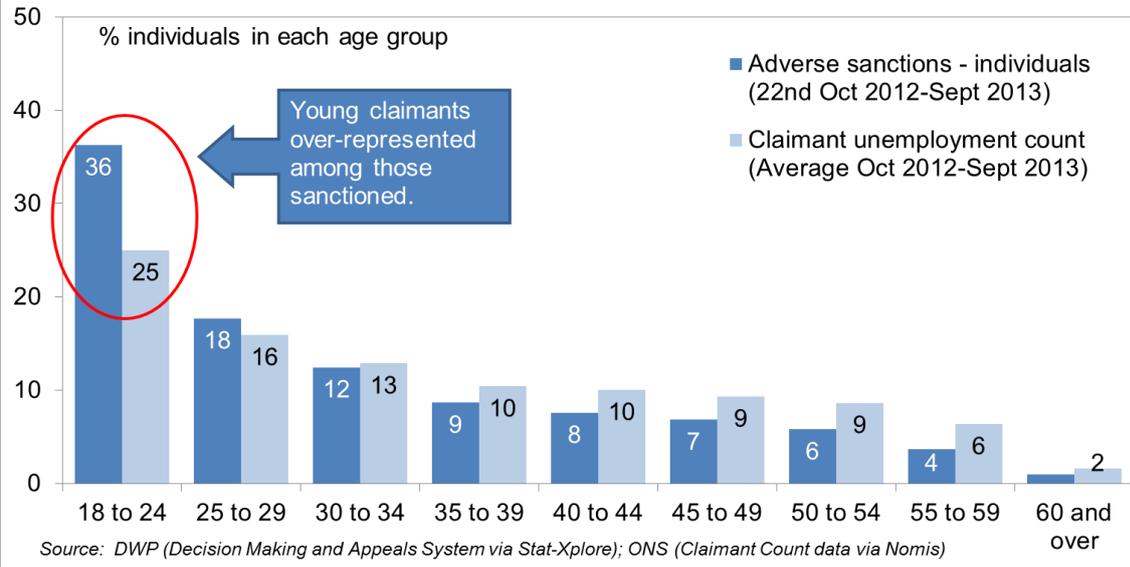


Figure 7 Gender profile of those sanctioned under the new regime compared with the gender profile of JSA claimants, Tower Hamlets, 2012-13

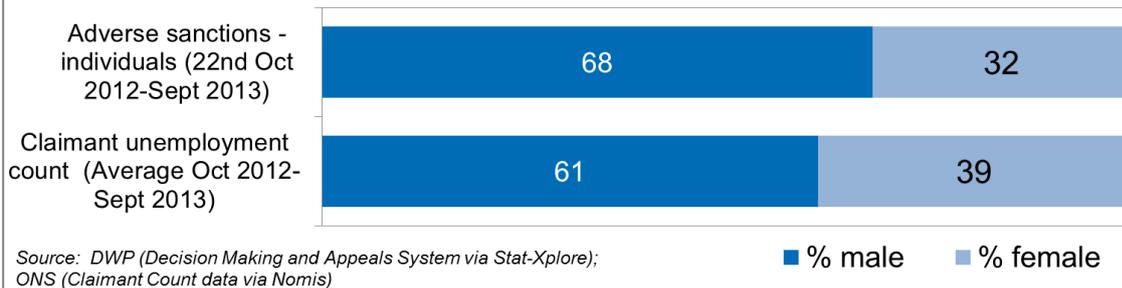
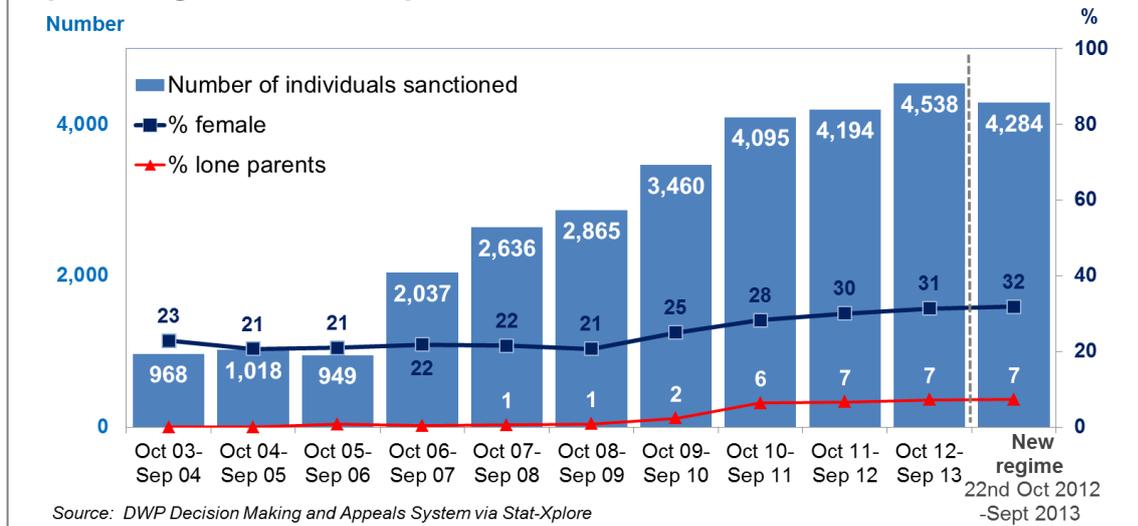
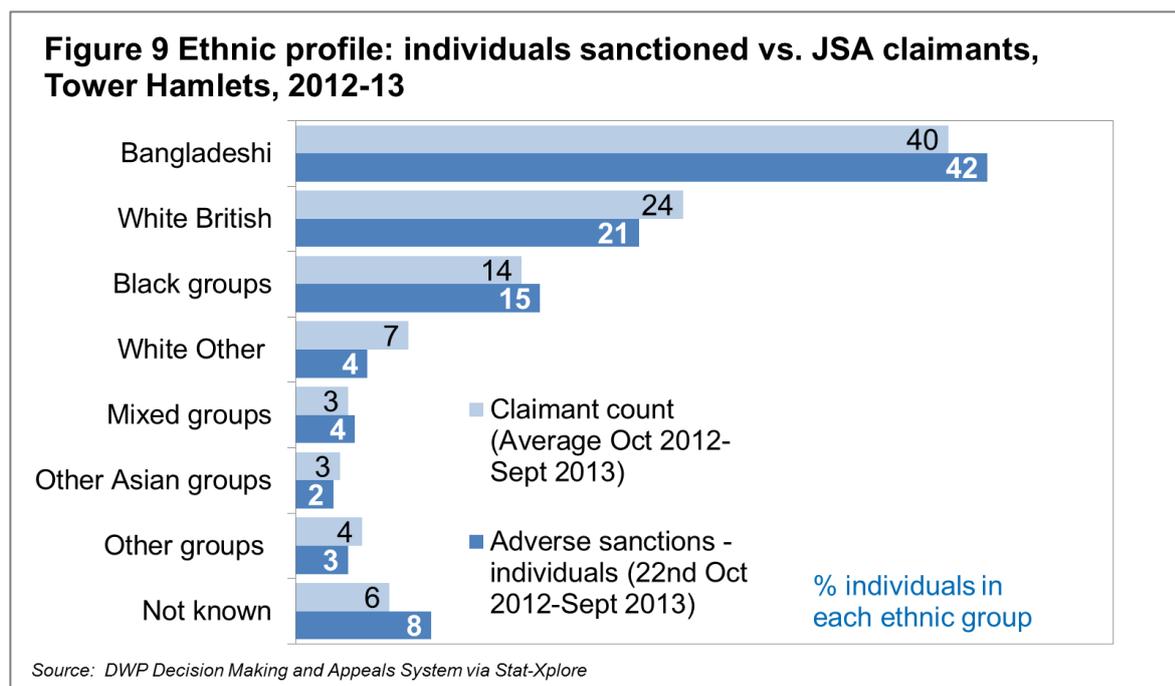


Figure 8 Individuals sanctioned; percentage who are women; and percentage who are lone parents, Tower Hamlets, 2003-2013



Characteristics: Ethnicity

Figure 9 considers the ethnic profile of residents sanctioned. The chart illustrates that the ethnic profile of those sanctioned is broadly similar to the ethnic composition of the JSA claimant population. However, Bangladeshi residents were slightly over-represented and White British residents slightly under-represented among those sanctioned relative to the claimant population. Bangladeshi claimants made up 42 per cent of those sanctioned compared with 40 per cent of all JSA claimants. Conversely, White British residents comprised 21 per cent of those sanctioned compared with 24 per cent of JSA claimants.



Residents from Black ethnic groups made up 15 per cent of those sanctioned, close to the proportion of JSA claimants who were from Black groups (14 per cent). *Note: Ethnicity data were missing for 8 per cent of those sanctioned, and 6 per cent of JSA claimants.*

Black and Bangladeshi residents have higher unemployment rates compared with other ethnic groups, so are significantly over-represented on both the JSA claimant count, and among those sanctioned, compared to the working age population generally. For example, Bangladeshi residents make up 26 per cent of the borough's working age population aged 16-64⁵, compared with 40 per cent of JSA claimants (and 42 per cent of those sanctioned). Similarly, while Black residents only comprise 7 per cent of the working age population they make up 14 per cent of the JSA claimant population and 15 per cent of those sanctioned.

Characteristics: Disability

Of the 4,284 individuals sanctioned under the new regime in Tower Hamlets, 15 per cent (659) said they were disabled. Disability is self-recorded by the claimant and recorded on the DWP's Labour Market System.

⁵ Source: 2011 Census estimates

Impacts of sanctions

Sanctions lead to a suspension of benefit for the period of the sanction, and given sanctions are now for a minimum of 4 weeks, the level of financial hardship faced by claimants can be significant. The standard rate of JSA is currently £72.40 per week (and £57.35 for the under 25s).

In some cases, sanctions can also lead to inadvertent termination of other non-sanctioned benefits. For example, when a sanction is applied, this can automatically activate a stop in Housing Benefit, even though this should not happen (as claimants would normally continue to be eligible for Housing Benefit regardless of being sanctioned). This can, of course, have far-reaching consequences in terms of arrears and debt, all initiated by a single, sometimes minor, sanction.

Evidence from the Citizens Advice Bureau (CAB) suggests that sanctions are having a serious effect on claimants and their ability to get by financially. Nationally, the CAB has seen a 36 per cent rise in the number of JSA sanction related enquiries, since the new regime came in⁶. CAB has also reported that, of the 100,000 food bank vouchers offices issued last year, 16 per cent were needed because of benefit sanctions⁷.

Locally, the Tower Hamlets Foodbank has reported seeing more single clients: over the year since October 2012, the number of single individuals accessing the service has increased by 60 per cent. The Foodbank cites sanctions and benefit mal-administration as the two key reasons behind the rise in the number of single clients.

Hardship payments

In some circumstances, claimants who are sanctioned can claim hardship payments from DWP - a reduced amount of JSA - to assist them financially. To be eligible, claimants have to show that they are at risk of hardship and cannot buy essential items such as food or heating.

Anecdotal evidence from the CAB in Tower Hamlets suggests that many of their sanctioned clients are unaware of their right to apply for hardship payments. There are no local statistics on how many people have successfully claimed hardship payments in Tower Hamlets following a sanction. To fill this gap, the Council's Research Unit has requested this information from DWP under the Freedom of Information Act. A response is currently awaited.

⁶ [Advice trends](#), Quarterly client statistics of the Citizens Advice service 2013/14 Quarter 4

⁷ http://www.citizensadvice.org.uk/index/pressoffice/press_index/press_20140415.htm

Problems with the sanctions process

There has been mounting concern about the way the sanctions regime is working in practice and various organisations have produced evidence which indicates that aspects of the process are unfair and poorly administered.

The Scottish Parliament's Welfare Reform Committee has recently undertaken a detailed review of the sanctions regime. The Committee has considered a wide range of evidence from different organisations. In its *Interim Report⁸ on the New Benefit Sanctions Regime: Tough Love or Tough Luck?*, a number of weaknesses in the current system are identified, these include:

- a consistent failure to notify people that they are being sanctioned and why;
- a lack of flexibility and misapplication of sanctions reducing the likelihood of people finding work;
- a failure to appreciate that many people on benefits do not have the necessary IT skills to utilise the DWP's Universal Jobmatch facility or other IT technology;
- a failure to make those sanctioned aware of the availability of hardship payments;
- the consistent (and erroneous) triggering of a stop in housing benefit as a result of a sanction;
- the lack of a deadline for decision-making on DWP reconsiderations leading to delays in redressing wrong decisions;
- the shunting of the costs of dealing with sanctioned claimants onto other agencies: local authorities, health board, third sector agencies etc.

The CAB, in its response⁹ to the DWP's recent independent review on sanctions, has also argued that there were significant problems around the issue of communication that were undermining the system. The report highlighted a range of failures including: poor communication of the reasons for a sanction; sanctions being applied before notices are received; and of communications/systems failures between agencies that cause inaccurate referrals and erroneous sanctions.

Another important issue the CAB response highlighted was the lack of awareness among claimants about the reconsideration and appeals process. Indeed, research by Dr. Webster of Glasgow University¹⁰, reported that less than one third of sanctioned claimants ask for internal reconsideration by DWP, and only about 2 per cent go to a formal tribunal to appeal against a sanction. At the same time, the analysis found that there had been a dramatic rise in the proportion of appeals that were successful in recent years, and that tribunals are now upholding almost 9 out of 10 appeals (July-Sept 2013).

⁸ *Interim Report on the New Benefit Sanctions Regime: Tough Love or Tough Luck?*

<http://www.scottish.parliament.uk/parliamentarybusiness/CurrentCommittees/78114.aspx>

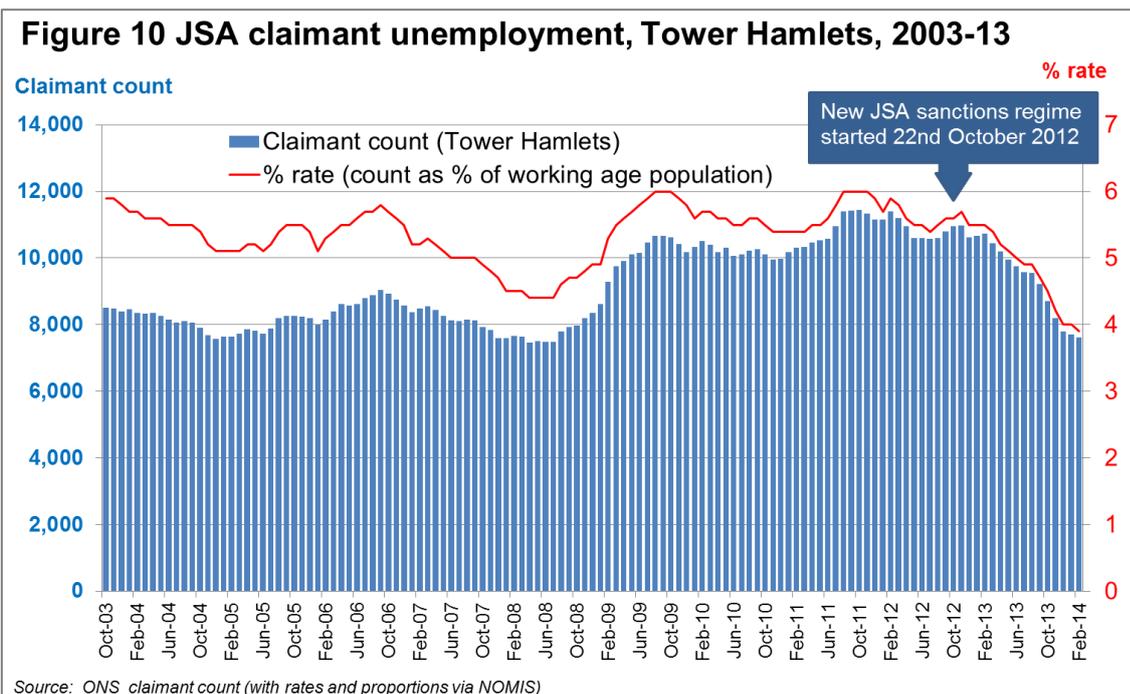
⁹ http://www.citizensadvice.org.uk/policy_citizensadvice_response_indepreviewofsanctions_oakley_2014.pdf

¹⁰ Dr David Webster, University of Glasgow, [Briefing: The DWP's JSA/ESA sanctions statistics release, 19 February 2014](#)

Sanctions and the claimant count

This section considers the relationship between JSA sanctions and the claimant unemployment count, which is based on the number of JSA claimants.

Over the last year, there has been a marked fall in the claimant unemployment count both locally and nationally. While a fall in unemployment is to be expected as economic recovery takes hold, there has been considerable speculation about whether the new tougher sanctions regime has also played a part in the observed fall, by driving people off JSA¹¹.



DWP advises that people who are sanctioned will appear on the claimant count, but only if, they continue to sign on. In response to a recent Freedom of Information request on this issue DWP stated:

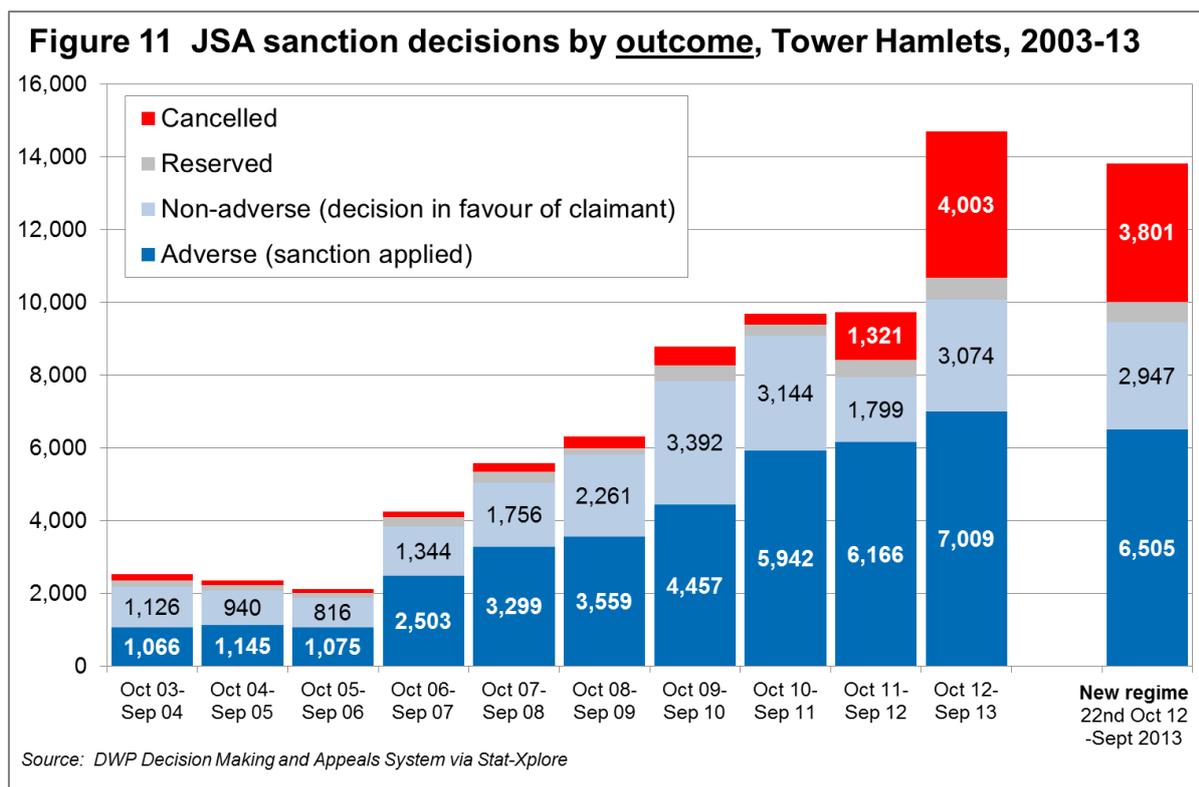
*“The unemployed claimant count includes all cases of claimants who are serving sanctions, provided the claimant continues to keep their claim live during the sanction period by keeping in contact with Jobcentre Plus through the normal signing on process. If a claimant chooses to not keep their claim live during a sanction period, the claim is no longer live and they would not be included”.*¹²

DWP states that there is no way of identifying whether sanctioned individuals who do not maintain contact with Jobcentre Plus are doing so because of the sanction or some other reason.

¹¹ <http://www.cesi.org.uk/blog/2013/nov/sharp-rise-sanctions-many-drop-their-jsa-claim>

¹² Link to Freedom of Information request and response: <https://www.whatdotheyknow.com/request/172332/response/424592/attach/3/FOI%202013%203759%20WDTK%20Response.pdf>

To explore this issue further, Figure 11 shows the rise in the total number of sanction referrals over the last ten years, and the outcome of these referrals. The chart clearly shows that there has been an unusually large rise in the number of 'cancelled' sanction decisions over the last year (people who have stopped claiming after they have been referred for a sanction). Under the new regime, the number of cancelled claims tripled compared with the previous year (October 2011-September 2012). The proportion of referrals that were cancelled doubled over the same period (from 14 per cent up to 27 per cent).



While the figures are consistent with the theory that sanctions could be leading some claimants to leave the count, there are, of course, a range of other reasons why claimants leave JSA. As the job market recovers, more people are likely to be moving into work which could explain some of the rise in cancelled claims. Also, research on national sanction trends¹³ has suggested that defective paperwork by Work Programme contractors could be playing a role in the rise in cancelled decisions given that the proportion of Work Programme contractors' referrals that are cancelled is far higher than for DWP staff referrals (40 vs. 10 per cent).

However, recent qualitative research¹⁴ carried out in Tower Hamlets does suggest sanctions are discouraging some claimants from continuing their JSA claim. The study by the Centre for Economic and Social Inclusion (CESI) explored the impacts of welfare reforms on residents, and interviews included several residents who had experienced JSA sanctions. These included cases where claimants had experienced

¹³ Dr David Webster, University of Glasgow, [Briefing: The DWP's JSA/ESA sanctions statistics release, 19 February 2014](#)

¹⁴ The impacts of welfare reform on residents in Tower Hamlets, Centre for Economic and Social Inclusion, May 2014.

repeated sanctions which had led to them signing off from benefits all together following very negative experiences of Jobcentre Plus.

CESI has also highlighted that, nationally, the gap between the official survey based measure of unemployment (the ILO measure) and the claimant count, has been widening¹⁵ which is consistent with the dropped claim theory. CESI's analysis shows that the proportion of unemployed people who were not claiming JSA has been rising since October 2012 when the new sanctions regime came in.

While it is difficult to come to firm conclusions on this issue based on available data, it remains highly likely that the new sanctions regime is causing some JSA claimants to end their claim. What remains unclear is the scale of the issue.

Future research

This report provides an interim assessment of the impact of sanctions in Tower Hamlets. Further work is planned to understand more about how the regime is affecting claimants in practice. The team is planning further analysis on the topics of:

- Reconsideration and appeals: how successful are claimants when challenging decisions;
- Hardship payments: how many claimants are receiving help when sanctioned;
- Monitoring: the team also plans to continue monitoring sanction statistics to assess longer term impacts of the new regime and to assess the impact of the the new stricter Claimant Commitment (which was introduced in October 2013).

Further information

This Briefing was produced by the Council's Corporate Research Unit. Research briefings provide timely and in-depth analysis of data about Tower Hamlets and are designed to improve the use and sharing of data across the Partnership. Contact details for the Corporate Research Unit are:

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This report is part of a wider programme of research designed to understand the impacts of welfare reforms on residents. The team has also produced reports on **Employment & Support Allowance** and the **Bedroom Tax**.



These can be accessed on the Council's website at the following link:

http://www.towerhamlets.gov.uk/lgsi/901-950/916_borough_profile/research_and_briefings/income_and_poverty.aspx

¹⁵ <http://www.cesi.org.uk/blog/2013/nov/sharp-rise-sanctions-many-drop-their-jsa-claim>