

# JSA Sanctions Early Warning Trial Evaluation – Interim report

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December 2016

## **DWP ad hoc research report no. 43**

A report of research carried out by the Department for Work and Pensions.

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First published 2016.

ISBN 978-1-78425-880-1

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# Executive Summary

Entitlement to claim out of work benefits rests on claimants meeting certain conditions, typically looking for work, and being available for work. These conditions are usually checked once a fortnight, immediately ahead of the next benefit payment.

Where Work Coaches, or Work Programme Providers, have doubts that a condition has been met, they may refer that case to an independent Decision Maker. The Decision Maker must consider whether the claimant has evidence that demonstrates a good reason for not meeting conditions of benefit entitlement.

That evidence is provided either direct to the Work Coach, or as a result of the Decision Maker contacting the claimant by telephone, or as a result of the claimant responding (within 5 days), to a letter from the Decision Maker.

Having made the decision, the Decision Maker writes to the claimant, and – if there is a sanction – it is imposed immediately.

A recent trial with 6,500 jobseekers in Scotland extended the time available for the claimant to provide evidence and tested what the effect of this was. Instead of a decision letter being sent after 5 days and a sanction being applied with immediate effect, in the trial a letter was sent that notified the claimant that a sanction would be imposed within 14 days, unless the claimant provided evidence (or further evidence) that demonstrated a good reason for not meeting the conditions of benefit entitlement.

The key interim findings of the trial were:

- 87 per cent of those receiving the Sanctions Warning Letter (SWL) made no response during the additional 14 days provided.
- 13 per cent did respond and provided evidence: in around half of these cases the evidence provided did not provide a good reason for the Decision Maker to change their decision and sanctions were applied.

Given that the vast majority of claimants in the trial did not provide evidence within the extra 14 days there is clearly further work to do beyond this interim finding to inform any potential change to the current system. At this stage it is not known whether there is a subset of claimants that can be identified for whom the additional 14 days does make a difference and a subset where it makes no difference. For example, was the impact of the additional time greater for those who did not provide any evidence in the initial 5 days and/or for claimants where Work Coaches/Decision Makers were not able to make contact with the claimant by telephone? Identifying these subsets could ensure any changes to the current system are not applied to large numbers of claimants who would not benefit but might be worse off from an additional period of uncertainty about the sanction outcome.

# 1. Background

- 1.1 In November 2015 DWP announced that it would be trialling a new process for Jobseekers Allowance (JSA) Sanctions and would be publishing an interim evaluation in Autumn 2016 with a final evaluation in Spring 2017. This report summarises the quantitative evidence collected to date.

# 2. Evaluation Approach

- 2.1 In order to assess the effectiveness of the trial, four criteria were defined before the trial began:
- 1) Increase the volume/proportion of claimants that provide reasons for non-compliance, prior to the reconsideration stage
  - 2) Reduce the volume/proportion of sanctioned cases that request a mandatory reconsideration
  - 3) Claimants receive an improved service that represents value for money
  - 4) Sanctions Decision Makers deem the new process more effective than the current one
- 2.2 At this stage data is available to provide an interim finding on 1) above.
- 2.3 Criteria 2), 3) and 4) are not covered in this interim report as the data is not yet available but will be included in the final report in Spring 2017. Criteria 3) and 4) will be measured using results from commissioned qualitative research being undertaken by the Learning and Work Institute.

# 3. The current and trial processes

- 3.1 When Jobcentre Plus (JCP) Work Coaches or Work Programme Providers (WPP) have a doubt about a claimant's compliance to the conditions that entitle them to JSA they will ask claimants to provide an explanation of why they have failed to comply.
- 3.2 If Work Coaches/ WPPs do not consider this explanation to be 'good reason' they will refer the case, including the claimant's evidence (if provided), to the Labour Market Decision Maker (LMDM).
- 3.3 The LMDM considers the evidence and makes a decision about whether or not a benefit sanction is appropriate. If a sanction is to be applied the LMDM issues a notification letter to the claimant explaining their decision and the subsequent benefit sanction will then be applied on the next available payment date.
- 3.4 During the trial instead of the LMDM applying the sanction the claimant was sent an advance warning in the form of a SWL (See [Annex A](#)) and given an additional 14 days to submit evidence of 'good reason'. At the end of the 14

days the LMDM considered all the evidence received and made a decision about whether to apply the sanction.

- 3.5 [Annex B](#) covers the differences between the current process and trial process in greater detail and in a flow diagram format.
- 3.6 The trial covered both low and high level sanctions but intermediate sanctions were not included as this would have required legislation to have been changed which would have delayed the trial. For more information on sanctions see the [Glossary](#).
- 3.7 The trial ran from March 2016 to September 2016, covered 3 Districts in Scotland (East and South-East Scotland; Glasgow, Lanarkshire and East Dunbartonshire; West of Scotland) and 6,500 potential sanctions.

## 4. Interim Trial Findings

### Evidence provided

- 4.1 During the trial around 13 per cent of claimants who were sent the SWL provided evidence during the additional 14 days. For around half of these cases (around 6 per cent of all cases that were sent a SWL) the evidence did not provide a good reason for the LMDM to change the decision made and a sanction was still applied. For the remaining half (around 7 per cent of all cases that were sent a SWL) the evidence provided good reason and a sanction was not applied.

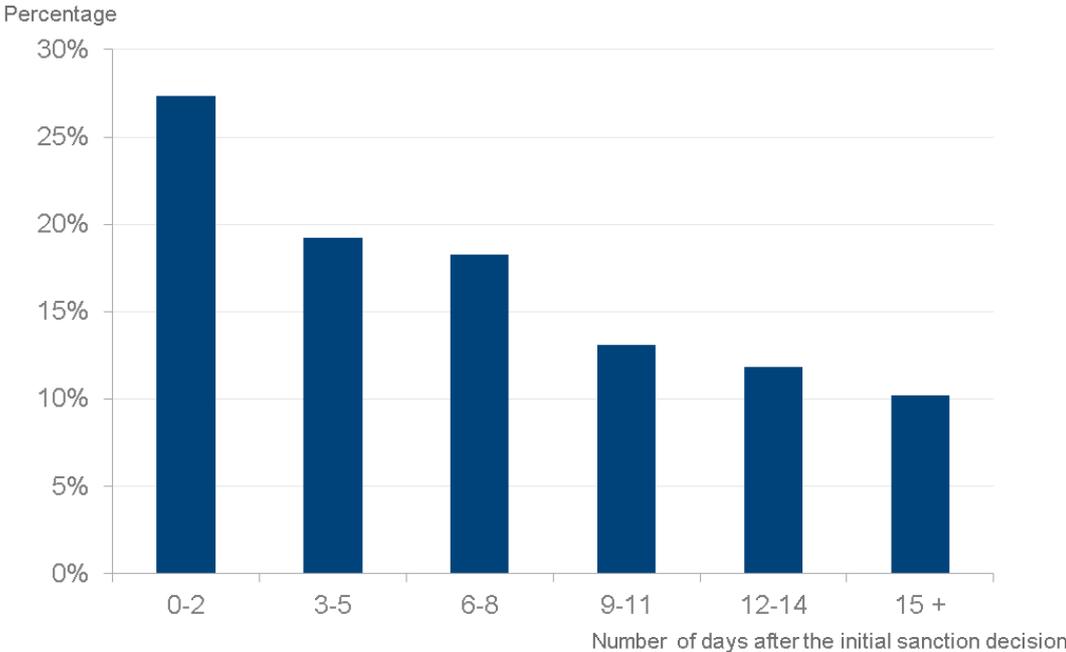
**Table 4.1: Outcome of the 14 day decision when evidence was provided within the 14 days**

Percentage of cases where evidence was provided	Outcome of 14 day decision		
	Sanction	Allow	Cancel
13%	47%	50%	3%

- 4.2 The 13 per cent of cases where a claimant did provide evidence might be due to:
  - The claimant receiving an additional 14 days,
  - The SWL prompting them to act,
  - A combination of these two factors, or something else.
- 4.3 One of the aims of the qualitative part of this trial is to try to establish from interviews with claimants whether it was the additional 14 days and/or the sending of the SWL that prompted the claimant to provide the evidence. The results of the qualitative research are due to published in the final trial report in Spring 2017

4.4 At this interim stage limited insight has been possible by examining how long it took for evidence to arrive from claimants after the initial decision had been made.

**Figure 4.1: Time between initial decision and the evidence being received**



4.5 Figure 4.1 shows that over a quarter of evidence arrived within 2 days of the 14 day period during which it was very unlikely the SWL would have had time to be delivered to the claimant and to have received a response. Therefore it is reasonable to assume this evidence was a result of allowing the claimant the additional 14 days and not a response to the SWL.

4.6 A claimant can make contact with DWP to provide evidence in a variety of ways;

- The claimant can make direct telephone contact with the LMDM
- The claimant can make contact via the Contact Centre (CC) or Jobcentre Plus (this information is then made available to the LMDM)
- The claimant can send in evidence by post to the LMDM.

**Table 4.2: Percentage split of evidence provided after the initial decision by channel**

	Phone	CC / JCP	Mail	Total
<b>Per cent of evidence</b>	8%	24%	68%	100%

- 4.7 Table 4.2 shows the majority of evidence provided after the initial decision was by mail (68 per cent). The least used contact channel was direct phone contact with the LMDMs where only 8 per cent of evidence was received after the initial decision.

## **5. Conclusions**

- 5.1 This Interim report has set out the results currently available for one of the four criteria that need to be evaluated in order to fully understand the impact of this trial.
- 5.2 Given that the vast majority of claimants in the trial did not provide evidence within the extra 14 days there is clearly further work to do beyond this interim finding to inform any potential change to the current system. At this stage it is not known whether there is a subset of claimants for whom the additional 14 days does make a difference and a subset where it makes no difference. For example was the impact of the additional time greater for those who did not provide any evidence in the initial 5 days and/or for claimants where Work Coaches/LMDM were not able to make contact with the claimant by telephone? Identifying these subsets could ensure any changes to the current system are not applied to large numbers of claimants who would not benefit but might be worse off from an additional period of uncertainty about the sanction outcome.
- 5.3 The final report for the Sanctions Early Warning Trial, containing an evaluation of all the Criteria for the trial, will be published in Spring 2017.

## Glossary of terms

**Sanction:** the reduction of the claimant's benefit for a specified period of time due to a claimant's non-compliance with their claimant commitment or specified work-related mandated activity. Sanctions can be low, intermediate or high level.

**Allowance:** the Labour Market Decision Maker (LMDM) believes there is 'good reason' to support the claimants' non-compliance and a sanction is not appropriate.

**Cancelled:** the referral for decision is cancelled by the LMDM when they are aware there was no entitlement on the date of transgression or there had been a failing in the process. This can occur when a claimant is no longer entitled to JSA (e.g. they enter employment) but the LMDM only receives this information after an initial sanction decision is made.

**High level sanction:** for failures relating to employment such as leaving a job voluntarily, failing to apply for a vacancy, failing to take up the offer of a job. Duration of 13, 52 or 156 weeks.

**Intermediate level sanction:** for losing entitlement through not being available for employment and/or not taking agreed steps to actively seek employment each week. Duration of 4 weeks or 13 weeks. Any time off benefit through the loss of entitlement is deducted from the sanction duration.

**Low level sanction:** for failing to complete a work-related activity imposed via a Jobseeker Direction, for losing a place, failing to take up a place or refusing a place on a training or employment scheme or failing to attend a mandatory interview at the Jobcentre. Duration of 4 weeks or 13 weeks.

## List of abbreviations

CC	Contact Centre
JCP	Jobcentre Plus
JSA	Jobseekers Allowance
LMDM	Labour Market Decision Maker
SWL	Sanctions Warning Letter
WPP	Work Programme Providers

# Annex A - Sanctions Warning Letter

If you call or write to us, please use this reference:  
SWL<<INSERT NINO>>



**jobcentreplus**

Department for  
Work and Pensions

Hanley Benefit Centre  
Post Handling Site B  
Wolverhampton  
WV99 1DF

[www.gov.uk](http://www.gov.uk)

Telephone: 0345 608 8545  
Textphone: 0345 608 8551

<<date --/--/2016>>

## **We will stop your payments if we don't hear from you within 14 days**

Please contact us

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Dear <<ClientTitle>> <<ClientSurname>>

We will stop your Jobseeker's Allowance payments if we don't hear from you by <<insert date 14 days from now>>. This is because on <<date>> you <<reason for referral>>.

We will stop your payments for <<number>> weeks. We call this a 'sanction'.

We have based this decision on the information we have now. This includes any information you have already given us.

### **What you need to do now**

If you have any further information on why you <<reason for referral>>, please call us on the number at the top of this letter or write to us using the pre-paid envelope provided.

If you are finding it difficult to understand or reply to this letter, it might be helpful to talk to someone who can help you. This could be a friend, family member or welfare adviser. Your work coach at the jobcentre can give you the contact details of welfare advice organisations in your area.

### **What happens if we hear from you**

If we hear from you by <<insert date 14 days from now>> we will consider what you tell us and may change our decision. We will write to you to confirm whether your Jobseeker's Allowance payments will stop as planned or will continue.

### **Contact us with any additional information.**

It's not too late to talk to us about the situation.

**If you do, your payments might not stop.**

SWL1

**What happens if we don't hear from you**

If we don't hear from you by <<insert date 14 days from now>> we will stop your payments as planned. We will write to you to confirm this.

**If we stop your Jobseeker's Allowance payments**

Please speak to your work coach at the jobcentre. You may be able to get a hardship payment if you don't have enough money to live on. This is a reduced amount of benefit.

Your work coach can also tell you about organisations in your area that may be able to help you.

**What you also need to do**

You need to keep doing all you can to find work. And you need to take part in all the meetings we've asked you to. This includes signing on as usual, even if we stop your payments.

If you don't attend all the meetings and don't keep doing all you can to find work, we might stop your payments for longer.

If you don't sign on, we could close your claim. This would mean you would no longer get Jobseeker's Allowance and National Insurance credits, and any Housing Benefit and Council Tax Reduction you get may stop.

**Please contact us to give us any further information.** We may be able to help if you get in touch as soon as you can. If you do, your payments might not stop.

Yours sincerely,

Office manager

**Please note:** This letter is part of a trial to test a new process. This new process gives people receiving Jobseeker's Allowance more time to contact us with further information before being sanctioned. The information in this letter is correct for your area and for as long as the trial lasts. If we decide to apply a sanction to your benefit in the future you may not be given more time to provide further information.

**SWL1**

## More information

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### Getting help and support

Tell us if you don't understand this letter. We can give you information in a different way, or in a different format such as large print.

### If we stop your payments, what you can do if you disagree

#### You can ask us to explain why

You, or someone who has the authority to act for you, can phone or write to us within one month of the date on the sanction letter (the letter that confirms your payment is stopping). You can ask us to explain our decision in writing.

#### You can also ask us to reconsider the decision

Tell us if you think we've overlooked anything, or you've got more information that affects the decision. You must do this within one month of the date on the sanction letter.

When we've looked at what you've told us, we'll send you a letter to tell you what we've decided and why. We call this letter a 'Mandatory Reconsideration Notice'.

#### What happens next?

If you agree with the result of the Mandatory Reconsideration Notice you don't have to do anything.

If you disagree with the Mandatory Reconsideration Notice, you can appeal to a tribunal. But you must wait for the Mandatory Reconsideration Notice before you start an appeal.

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### Where can I find more information?



Visit our website at [www.gov.uk/jobseekers-allowance/furtherinformation](http://www.gov.uk/jobseekers-allowance/furtherinformation) to find out more about sanctions, hardship payments and what to do if you think our decision is wrong.



For free advice about managing money, visit [moneyadviceservice.org.uk](http://moneyadviceservice.org.uk)

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### About QR codes



These square barcodes open a specific website, saving you typing in long web addresses.

You can get a free app to scan QR codes on most smartphones.

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### Equality and diversity

We are committed to treating people fairly, regardless of their disability, ethnicity, gender, sexual orientation, transgender status, marital or civil partnership status, age, religion or beliefs. Please contact us if you have any concerns.

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### Call charges

Calls to 0345 numbers cost no more than a standard geographic call, and count towards any free or inclusive minutes in your landline or mobile phone contract.

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### Housing Benefit and Council Tax Reduction

If you get Housing Benefit or Council Tax Reduction, keep in touch with your local council. Tell them about any changes to your circumstances including if you get a sanction. They will tell you what you need to do next.

SWL1

# Annex B - Process flow charts

