

## **BRIEFING -**

### **JSA/ESA SANCTIONS STATISTICS RELEASE, 6 November 2013**

Key points are:

- The number of JSA sanctions in the year to 30 June 2013 was 860,000, the highest since statistics in their present form began to be published, in April 2000. It compares with 500,000 in the year to 30 April 2010, the last month of the previous Labour government.
- Over the whole period of the Coalition, JSA sanctions have run at 4.35% of JSA claimants per month. This compares with 2.60% during the Labour government from April 2000 (when statistics were first published in their present form) to April 2010.
- There has been a massive rise in the number of ‘reserved’ or ‘cancelled’ JSA sanction decisions, especially in the latter. Decisions are cancelled when the claimant is no longer claiming JSA at the time of the referral. Decisions are ‘reserved’ when the claimant has stopped claiming between the time of referral and the time of decision. ‘Reserved’ and ‘cancelled’ decisions were at 72,000 per year in 2006, but were 532,000 in the year to June 2013. It appears that people are being driven off JSA by the sanctions regime.
- This in turn could explain why there has been a sharp increase in the gap between the number of unemployed people identified by the official Annual Population Survey, and the number in the claimant count. The claimant count has fallen rapidly in recent months from 1.55m in February 2013 to 1.26m in September. By contrast, there has been no significant fall in the official unemployment measure, which showed 2.49m unemployed at June to August 2013.
- There have been important changes in the numbers of JSA sanctions for particular types of ‘failure’:
  - There has been a continuing huge increase in sanctions for ‘not actively seeking work’, which usually means not applying for as many jobs in a fortnight as the adviser instructs. They are now running at 287,000 per year, compared to 60,000 per year before the Coalition. This is the highest level since the Baldwin government’s campaign against the unemployed in the 1920s, which ended when a Labour Party backbench revolt resulted in abolition of this reason for disqualification in March 1930.
  - From a lower level, there has also been a huge increase in sanctions for failure to carry out a Jobseeker’s Direction, from under 4,000 per year before the Coalition to 27,000 per year.
  - Sanctions for refusing a job opportunity doubled under the Coalition, from around 3,000 per month to over 6,000. However they have fallen off sharply since October 2012, to only just over 1,000 in recent months. It is unlikely that this is due to a sudden change of behaviour by claimants. It is more likely to be because Jobcentres are focusing on sending claimants on training/employment schemes, or sanctioning them, and are introducing claimants to fewer employment opportunities, relying on the computerised Universal Jobmatch instead.
  - Sanctions for failure to participate in training or employment programmes (including the Work Programme) have fluctuated, but reached 226,000 in the

year to June 2013, up from 102,000 in the last year of the previous government. Some of the fluctuations may reflect the release of ‘stockpiled’ work experience sanctions following the retrospective Jobseekers (Back to Work Schemes) Act last March. Overall, these sanctions have been at around 1% of unemployed claimants per month under the Coalition. This contrasts with a previous level of 0.2%.

- Sanctions for failing to participate in Mandatory Work Activity – an innovation by the Coalition – have now reached 10,000 per year.
- By contrast, sanctions for not attending or being late for advisory interviews have fallen off sharply, from an annual rate of 290,000 in October 2012 to 210,000 by June 2013. However, these sanctions are now 4 weeks, compared to 1 or 2 weeks from April 2010 to October 2012. Before then, the penalty was ‘disentitlement’, meaning that the claimant’s existing claim was discontinued but they could start another after a small number of waiting days.
- Sanctions for voluntarily leaving a previous job, or being dismissed from it for misconduct, have historically been by far the most important reason for benefit disqualification. But since the start of the present recession they have hardly featured at all, and this continues to be the case. This is because people are more careful to hold on to a job when they know it is more difficult to get another.
- Non-availability has also been historically important but this type of disqualification has run at around 1,000 or less per month since 2000 and this remains the case. However, the new regime now imposes a loss of benefit of 4 weeks when previously a claimant able to prove that they had become available could reclaim almost immediately.
- Ministers claimed that hardly anyone would be subject to the new 3-year JSA sanctions. Yet only 8 months into the new regime, 700 people have already had these imposed (Table 1.7). What is happening to them?
- There have been 178,160 appeals out of 580,210 JSA sanctions (Table 1.8). This is only 30.7%. Of these, only 9,690 (1.7%) were to a Tribunal. All the rest were considered internally by DWP. Only 89,850 appeals were successful (15.5% of all sanctions and 50% of all appeals).
- Sanctions on ESA claimants have also risen, but have yet to reach the peak seen under the previous Labour government. They were 3,690 in March 2010 and reached 2,170 in May 2013, the highest since August 2010.

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