DWP Central Freedom of Information Team

e-mail: freedom-of-information-request@dwp.gsi.gov.uk

Our Ref: Fol 1772

DATE: 2 June 2016

Dear Trudy Baddams,

Thank you for your Freedom of Information request of 4 May 2016. You asked:

- 1. how many universal credit claimants have moved into work since its birth?
- 2. how long does it take to receive the first payment from universal credit?
- 3. how many hours jobsesarch are the claimants supposed to undertake if they work part time?
- 4. if sanctioned on universal credit how much of the benefit will the claimant lose?
- 5. if sanctioned will the claimant lose his housing element too?
- 6. is it true that the claimant can be sanctioned for not looking presentable? and how far does this go?
- **1.** In response to question 1, in the period from October 2013 to February 2016 265,0001 people have started to claim Universal Credit (UC). Of these cases approximately 155,000 (58%) show some evidence of earnings from jobs that started after their UC claim.

Source: <u>Universal Credit Official Statistics</u>

Claimants can be in work and remain on Universal Credit if their earnings are low, so wouldn't 'move off' Universal Credit. Data for the period before October 2013 is not available.

- **2.** Claimants usually wait no longer than a maximum of five weeks, or six weeks if they serve waiting days, to receive their first payment of UC.
- **3.** Universal Credit claimants who are on very low earnings and expected to look for more/better paid work will have any work they are currently engaged in considered as part of the hours they are expected to look for work. An extract from the guidance is attached ('UCKM Hours of work search overview 1772').
- **4.** The amount sanctioned will depend on the claimant's circumstances on the last working day of each Assessment Period. When a sanction is applied to a UC claim the amount reduced is determined by Reg 111 of the UC regulations. If the claimant

is single and incurs a sanction the amount reduced from the award would normally be 100% of their standard allowance the element of UC used for daily living expenditure. If in a couple, the sanction will apply to 50% of the standard allowance. Only 40% of the daily allowance is reduced in some cases, for example, carers or those attending work focused interviews only, for full details please see the regulation mentioned above.

5. The Housing element of the Universal Credit payment helps tenants with their eligible rent and service charge costs, which is paid as part of the single UC payment. This, along with other elements such as the child element, would not normally be affected by the sanction.

However if the claimant is not in receipt of their maximum UC entitlement, for example if they are working or have capital, and are sanctioned the full amount equal to their standard allowance is still reduced from the total award. This is because a sanction is taken off the total award regardless of the elements which make this up. So in effect a sanction in this scenario would apply across the elements, including the housing element.

If the claimant is unable to afford their living costs, including their rent, they will be able to apply for a hardship payment while sanctioned.

6. Universal Credit claimants may be required to undertake specific action that will make it more likely that they will obtain paid work (or more paid work or better-paid work). This includes 'improving personal presentation'. A link to the legislation is attached here: http://www.legislation.gov.uk/ukpga/2012/5/section/16/enacted

These actions are called the Claimant Commitment. In most cases, the Claimant Commitment is drawn up between the claimant and their work coach. The Claimant Commitment will set out agreed actions to prepare for work and to look for work, or to increase earnings if the claimant is already working. It will be based on the claimant's circumstances and will be regularly reviewed and updated.

The Claimant Commitment is a record of the responsibilities a claimant has accepted in return for receiving Universal Credit, and the consequences of not meeting them. Universal Credit payments may be cut if claimants do not meet their responsibilities.

Information about sanctions that can apply to Universal Credit awards is available in the "Advice for Decision Making" (ADM) guide, chapters K1 – K9. This guidance details what actions or failures to act that can lead to sanction, factors that are considered in reaching decisions (including "good reason"), and the amount and length of a sanction. These documents are available on Gov.UK; https://www.gov.uk/government/publications/advice-for-decision-making-staff-guide

DWP Strategy Fol Team
Yours sincerely,
number above.

If you have any queries about this letter please contact me quoting the reference

Your right to complain under the Freedom of Information Act

If you are not happy with this response you may request an internal review by e-mailing freedom-of-information-request@dwp.gsi.gov.uk or by writing to DWP, Central Fol Team, Caxton House, Tothill Street, SW1H 9NA. Any review request should be submitted within two months of the date of this letter.

If you are not content with the outcome of the internal review you may apply directly to the Information Commissioner's Office for a decision. Generally the Commissioner cannot make a decision unless you have exhausted our own complaints procedure. The Information Commissioner can be contacted at: The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow Cheshire SK9 5AF www.ico.gov.uk