

Work and Pensions Committee
House of Commons
London
SW1A 0AA

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Dear Sir or Madam,

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YMCA England response to the Work and Pensions Committee's Inquiry into Benefit Delivery

Patron:
Her Majesty the Queen
President:
The Most Reverend
& Right Honourable
Dr. John Sentamu

Every night YMCAs provide just under 10,000 beds for young people. YMCA is the largest voluntary sector provider of safe, supported accommodation for young men and women.

YMCA is committed to creating healthy, sustainable communities in which people can fulfil their aspirations. YMCA enables people to develop their full potential in mind, body and spirit. YMCA works with all people regardless of their background, gender or faith, however central to our work is supporting those most vulnerable and in the communities with the greatest needs.

YMCA launched its Manifesto, *We Believe*, in Parliament on the 10th March 2015. The manifesto development process engaged over 350 people, including the five main stakeholders for YMCAs; its chief executives, staff, trustees, young people and service users. It is the thoughts and experiences of these stakeholders that form the basis of this response.

A theme which consistently occurred during this development was the disproportionate impact that recent welfare reforms were having on young people and the detrimental effect that delays and errors in the payments of benefits were having.

To what extent does the DWP deliver benefit and Universal Credit payments correctly and promptly?

YMCA enables people to develop their full potential in mind, body and spirit. Inspired by, and faithful to, our Christian values, we create supportive, inclusive and energising communities, where young people can truly belong, contribute and thrive.



- 1 YMCA is not necessarily opposed to a form of sanctions, and our '*Feeling the Benefits?*'¹ research series reveals that our young people consistently come out in favour of a sanctions regime. However, YMCA recognises that there are clear issues within the present system.
 - 1.1 Our experience has found that there is little consistency in how sanctions are being applied across the country. As a result young people have little confidence in Jobcentre Plus, who to them, seem to sanction on the basis of a need to deliver financial savings rather than a thorough evaluation of the facts in each case.
 - 1.2 YMCA has significant concerns that recent welfare reforms seem to be having a disproportionate impact upon young people. For example, according to recent Department for Work and Pensions figures², those aged 18-24 made up 25% of JSA claimants, but 39% of adverse sanctions issued between October 2012 and March 2015.
 - 1.3 The percentage of young people (aged 18-24) claiming Jobseeker's Allowance being adversely sanctioned each month remains at around 8%, with just over 800 adverse sanctions being applied to young people (aged 18-24) each day since the new regime was introduced, a 60% increase on what it had been under the previous regime. This illustrates the impact that the new regime has had on claimants.
 - 1.4 YMCA's '*Processed and Punished*'³ research revealed a significant number of cases where errors by job centres were a major contributing factor in many young people having their benefits stopped. The most common errors reported included not being informed of appointments and a failure of job centres to pass on or record relevant information regarding individual's claims.
 - 1.5 Of the total number of sanctions issued to young people (aged 18-24), 9% (159,000) were taken to either reconsideration or appeal. In over half (51% - 75,000) of the cases that were reconsidered, the decision was taken not to apply a sanction, illustrating the scale of the errors made in benefit delivery.

¹ Available to read here: <http://www.ymca.org.uk/research/feeling-the-benefits>

² Department for Work and Pensions, Sanctions Statistics, August 2015 Available: <https://stat-xplore.dwp.gov.uk/>

³ YMCA England, *Processed and Punished; An insight into vulnerable young people's perspectives on the current welfare system and Jobcentre Plus*, March 2014

- 1.6 In addition to the vast number of sanctions being issued, YMCA believes that the level of sanctions are too severe and need to be more graduated. Even for what is deemed a low level offence, such as missing an appointment, benefits can be stopped for at least a month. This is having an immense impact on young people and YMCA argues that this needs to be changed.
- 1.7 As such YMCA is calling for the current benefit sanction regime to be reformed and new guidelines to be introduced to ensure a consistent approach is taken throughout Jobcentre Plus in the application of sanctions. The length of sanctions should also be changed to make them less draconian for first and less serious offences.
- 1.8 Benefit sanctions are intended to encourage people to take the necessary steps to find employment. However, for many of the young people that YMCAs work with their transition into work is hampered by a lack of training and experience. The regulations around the 16-hour rule and the impact it has on the ability to gain adequate training while on benefits is one of the most consistent complaints made by the young people that YMCA consulted with.
- 1.9 YMCA is therefore calling on the Government to amend the regulations that prevent young people from participating on courses or training for over 16 hours whilst claiming Jobseeker's Allowance or Universal Credit. This is more likely to have a positive impact on the number of people finding work than simply imposing sanctions.

The impact of errors and delays and how such effects are mitigated

- 2 As previously noted, the feeling among young people taking part in YMCA consultations is that Jobcentre Plus has adopted a sanction first, think later approach with little thought as to the impact that these sanctions are having on young people.
 - 2.1 Errors and delays in payments have a negative effect on individuals, particularly the vulnerable young people that YMCAs work with. This was evident in YMCA's '*Feeling the Benefits?*' series of research reports which gathered the experiences and viewpoints of the young people that YMCA works with who were on the benefit system.

- 2.2 *'Signed on and Sanctioned'*⁴ gives an insight into vulnerable young people's experiences on benefit sanctions. A significant majority (86%) of those people who had been sanctioned reported being forced to go without essential items while their benefits were cut. The most common areas where they were forced to cut back or go without were food (84%), housing costs (81%) and toiletries (75%).
- 2.3 Despite common perceptions, the majority of young people do not wish to remain on benefits and their life is far from easy. These difficulties are often compounded by delays and errors to payments. YMCA's research into the use of foodbanks, *'Food for Thought'*⁵, revealed that the vast majority of YMCAs participating in the research have had to refer the young people they work with to foodbanks. It is estimated that YMCAs referred between 4,400 and 5,200 young people to foodbanks for support in the last year.
- 2.4 Over three quarters (76%) of YMCAs referring young people to foodbanks indicated that there had been an increase in the past year in the number of individuals they had to refer, with 40% reporting that this increase had been significant.
- 2.5 When YMCAs were asked to explain this increase in food poverty amongst the young people they work with, more than four in five (81%) identified this as being a result of the changes taking place in the welfare system. Specifically, the new sanctions regime introduced in October 2012 was singled out as the main reason behind the growth in the numbers of young people living in food poverty.
- 2.6 In addition to the financial costs, delays and errors in payments also have detrimental effects on young people's physical and mental well-being with many young people reporting that errors and delays in receiving their benefits placed them in a vicious cycle which actually hindered their transition from benefits into work.⁶

How the Department's performance in this area might be monitored and improved

⁴ YMCA England, *Signed on and Sanctioned: An insight into vulnerable young people's perspectives on benefit sanctions*, March 2014

⁵ YMCA England, *Food for Thought; An insight into why young people in England access foodbanks*, September 2014

⁶ YMCA England, *Processed and Punished; An insight into vulnerable young people's perspectives on the current welfare system and Jobcentre Plus*, March 2014, p. 15

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- 3 As previously noted, the disproportionate affect that sanctions, delays and errors are having on young people is clear. Young people taking part in consultations believe that at the heart of the problem are poor communication and processes. As our '*Signed on and Sanctioned*'⁷ report illustrated, while the majority of young people that YMCA works with are aware that they can potentially be sanctioned, Jobcentre Plus and the Government are failing to communicate many aspects of the sanctions.
- 3.1 Given the impact that taking away an individual's main source of income can have, not only financially but on their physical and mental health, by failing to effectively communicate how they can avoid being sanctioned and what they can do once they have been sanctioned, the current arrangements are simply punishing vulnerable young people.
- 3.2 To mitigate the negative effects on young people, Jobcentre Plus and Work Programme providers need to provide an approach based around the individual, being more proactive in how they communicate to young people and put safeguards in place for the most vulnerable.
- 3.3 It is important that any changes in the welfare system are clearly communicated to young people in a way that is accessible. Navigating the welfare system and Jobcentre Plus can be challenging, particularly for the vulnerable young people that YMCAs work with. The additional needs faced by some must be recognised and reflected in the expectations placed on them by job centres.
- 3.4 To help overcome issues with communication YMCA proposes that a duty be placed on Jobcentre Plus to provide people being sanctioned with a clear explanation of the reasons why it is being imposed, both in writing and face-to-face at their next appointment, prior to removing and benefits. This will give young people the chance to discuss decisions with their work coach and help to reduce errors.

If you require any further information or have any follow-up questions regarding our response, please do not hesitate to get in touch using the contact details included.

⁷ YMCA England, *Signed on and Sanctioned: An insight into vulnerable young people's perspectives on benefit sanctions*, March 2014

Yours faithfully,



Denise Hatton
YMCA England
Chief Executive