

The Committee Secretary,
Social Security Advisory Committee,
5th Floor,
Caxton House,
Tothill Street
London
SW1H 9NA

6th June 2014

Dear Mr Gray,

Re: YMCA England response to the consultation on the Government's proposal to extend benefit waiting days

The YMCA was established in 1844 and there are 114 YMCAs across England serving over 530 different communities. The YMCA is there for all young people, supporting those going through difficult times, as well as providing activities for all young people in a community to enjoy.

Each year, the YMCA intensively supports over 228,000 young people right across England. In addition to this, the YMCA is the largest voluntary sector provider of safe, supported accommodation for young people, providing just under 10,000 beds every night.

The YMCA always seeks to support a young person holistically – whether it be through providing support programmes for those in our residential accommodation or by providing access to counselling and training to those who come along to our local youth clubs.

This submission to the consultation sets out the anticipated impact of the Government's proposals to extend the benefit waiting days on the young people we work with, and based on these, a series of recommendations for consideration by the Social Security Advisory Committee.

1. Extending Benefit Waiting Days from 3 to 7 days

1.1 As the table below sets out, the financial impact of the reform to extend the benefit waiting days would have on the average young people is significant.

Table 1: Jobseeker's Allowance / Employment Support Allowance (assessment rate) for Under 25s

	First benefit payment	Benefits paid per day
3 waiting days (current arrangement)	£90.12	£6.44
7 waiting days (proposed arrangement)	£57.35 (-£32.77)	£4.10 (-£2.34)



- 1.2** For most under 25s claiming either Jobseeker's Allowance or Employment Support Allowance, the reforms would mean a reduction of £32.77 in their first benefit payment, which is equivalent to losing £2.34 per day during the first two weeks of their claim.
- 1.3** However, given that these benefits are now paid fortnightly in arrears, in reality under the new proposals young people would receive only £57.35 during the first four weeks of their claim (prior to receiving their second payment). This is equivalent to them having just over £2 per day to live on during this period.
- 1.4** The YMCA works with particular vulnerable young people including care leavers, young people who have become estranged from their parents, young people who have been sleeping rough on the street or sofa surfing, those who have faced abuse at home, and those who have relationship breakdowns with partners or other member of their family.
- 1.5** Due to these circumstances, along with their age, they are often not fortunate enough to be beginning their claim with funds they can fall back upon as is the expectation in bringing in this reform.
- 1.6** This is demonstrated by recent research conducted by the YMCA, which shows how delays in receiving benefit payments (including now receiving Jobseeker's Allowance and Employment Support Allowance in arrears) are already pushing many of these vulnerable young people into financial hardship and increasing the need for them to access food banks in order to be able to eat.
- 1.7** When asked why the young people they were working with had to be referred to food banks for support, 80% of YMCA responding identified delays in receiving their benefit payments as being one of the main reasons. This was identified as being a particular problem when an individual's claim was first set up.
- 1.8** Given that these reforms will further reduce the amount young people will receive when they initially begin claiming by around a third – leaving them with just £2 a day spend on essential items such as food, toiletries, household bills and travel during the initial 4 week period – it is likely that this limit what they will be able to do and put greater pressure on support services such as supported housing providers and food banks.
- 1.9** In addition to putting greater pressure on support services provided by charities, these reforms have to potential to push vulnerable young people towards more unscrupulous service providers for help, such a payday loan providers.
- 1.10** So rather than as suggested that these reforms would help vulnerable young people focus on finding work and move towards a situation where they are no longer dependent on benefits, the proposed reforms have to potential to actually push many of them further away from this becoming a reality.
- 1.11** To best protect the types of vulnerable young people YMCA work with, the claimants who are protected from service of the waiting days should be reviewed to include vulnerable groups of individuals such as those who are or have recently been homeless, those living in exempt or specified supported accommodation, and recent care leavers.



- 1.12** With the pending roll-out of Universal Credit, it is critical that the Government begins work immediately reviewing those claimant groups that will be protected, as by bringing together the range of benefits (including support for housing costs) as well as moving to monthly rather than fortnightly payments, the negative impacts of these reforms could be even more significant.
- 1.13** If individuals are not suitably informed of how this will impact upon the benefits they receive the negative consequences described could impact not just on vulnerable claimants. Failure to effectively communicate the reforms will prevent individuals from having the opportunity to be able to prepare and respond accordingly. Communicating the reforms and their impact on claimants when they make their initial claim is therefore important if further unnecessary and more widespread hardship is to be avoided.

Recommendations:

- **The YMCA proposes that the Government review the claimants who are protected from service of the waiting days to ensure the most vulnerable groups are not negatively impacted upon by the reforms.**
- **The YMCA proposes that the Government work with relevant service providers to ensure that key information relating to extending benefit waiting days from 3 to 7 days is effectively tailored and communicated to young people.**

2. Short Term Benefit Advances

- 2.1** To address some of the potential negative impacts from these reforms, it is critical that alongside plans to communicate the requirement to serve additional waiting day when they make their initial claim, that claimants are also made aware of the availability of a Short Term Benefit Advance.
- 2.2** Through research previously undertaken by the YMCA with vulnerable young people in relation to benefit sanctions, while the majority questioned were aware that they could access some form of financial support during the period of their sanction, they lacked practical information on how Hardship Loans could be accessed.
- 2.3** To avoid a repeat of this situation where poor communications on behalf of Jobcentre Plus is leading to unnecessary hardship amongst vulnerable young claimants, it is important that not only the availability of a Short Term Benefit Advance is communicated, but also the process for how they apply for this needs to be clearly set out alongside providing the necessary materials and support to complete the application process should they choose to apply.
- 2.4** In addition, for the scheme to be effective in supporting those claimants in most need, it is important that the process for agreeing and then providing claimants with their Short Term Benefit Advance payment is as made efficient as possible. Any delays to this process increase the likelihood of claimants suffering unnecessary financial hardship.
- 2.5** However, even if the most vulnerable young people are able to access a Short Term Benefit Advance, many would still find themselves in a difficult financial situation, at most receiving just over what they currently would under the three day waiting arrangements – which as our research demonstrates is already not meeting the basic needs of vulnerable young claimants when they first begin claiming benefits. Further demonstrating the need for the exemption process to be reviewed.



Recommendations:

- The YMCA proposes that the Government work with relevant service providers to ensure that key information relating Short Term Benefit Advances is better tailored and communicated to young people.
- The YMCA proposes that a duty be placed on Jobcentre Plus to both make a decision and pay any agreed Short Term Benefit Advance to claimants within 3 working days.
- The YMCA proposes that the Government be required to monitor and report data on Short Term Benefit Advances, including; numbers applying and receiving Short Term Benefit Advances, and time taken to process applications and pay successful claimants.

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.

Yours faithfully,



Denise Hatton
YMCA England
Chief Executive

