

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

17 October 2014

▶
London Office
29-35 Farringdon Road
London EC1M 3JF
T 020 7186 9500
E enquiries@ymca.org.uk
www.ymca.org.uk

Dear Mr Gray,

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.

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

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.

This submission to the consultation sets out the anticipated impact of the Government's proposals to extend the benefit waiting days in Universal Credit will have on the young people we work with.

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

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.

SUPPORT & ADVICE

ACCOMMODATION

FAMILY WORK

HEALTH & WELLBEING

TRAINING & EDUCATION

YMCA England's response to the consultation on the Government's proposal to extend benefit waiting days for Universal Credit

Introduction

- 1.1** As we set out in our response to the committee's consultation of the extending benefit waiting days for those claiming Jobseeker's Allowance and Employment Support Allowance, the time vulnerable claimants are currently having to wait before they receive their first benefit payments and the amount they initially receive is already the cause of considerable hardship.
- 1.2** The YMCA works with particular vulnerable young people including 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.
- 1.3** Due to these circumstances, along with their age, they are unlikely to have an existing claim and are often not fortunate enough to be beginning their claim with funds they can fall back upon, as is in part the expectation in bringing in this reform.
- 1.4** In addition to this, their claims can often be more challenging and time consuming to set up. This can be as a result of them struggling more with lengthy and complex application processes, lacking access to a computer or phone, not having an active bank account or being unable to provide suitable identification.
- 1.5** As a result of being at this point of crisis, the impact of every day they have to spend without their initial benefit payments or any reduction to this is exacerbated, not only affecting them financially but also detrimentally affecting their physical and mental wellbeing.
- 1.6** The hardship already being suffered by this group as a direct result of the existing delays in receiving benefit payments is highlighted by YMCAs having to refer an increasing number of young people we work with foodbanks.
- 1.7** The vast majority (88%) of YMCAs now have to refer the young people they work with to foodbanks, with just under four in five (79%) of those referring young people to foodbanks as a direct result of delays in receiving their benefit payments.

- 1.8** The impact of current delays and being without any money is not confined to them having to access foodbanks. After food, housing costs are often the next area to be cut back on by those not receiving their benefits.¹
- 1.9** While those living in homeless or supported accommodation such as that provided by YMCAs have their housing costs paid directly to the provider through Housing Benefit, they will usually have to pay a weekly charge for the additional services they receive along with utility bills.
- 1.10** In research undertaken earlier this year into the impact of benefit sanctions, YMCA found that of those that were forced to cut back as a result of having their benefits stopped or reduced, 81% did this by not paying some or all of their housing costs.²
- 1.11** This is not only placing the individuals into debt and putting their tenancies at risk; it also puts greater financial pressure on a sector that is already struggling with funding cuts.
- 1.12** As well as causing greater hardship, our research into sanctions also goes against the assumption that the impact of being forced to go without benefits will focus individual's efforts into looking for work.
- 1.13** Many of the young people surveyed felt that having their benefits cut actually hindered their transition into work by limiting their ability to look for work. Below are some just of the quotes from the young people interviewed which demonstrate this point.³

"I was unable to look for work as much as I could before"

"It stopped me from searching for work as I had no money to get to different employers"

"My focus turned to survival, rather than gaining employment"

Extending benefit waiting days

- 2.1** Even without the introduction of seven waiting days into Universal Credit, the move towards monthly payments will mean claimants having to wait more than twice as long as they would on JSA or ESA before they receive any benefit payments.

¹ [Signed on and sanctioned](#), YMCA England, March 2014

² See 1

³ See 1

- 2.2** Given the impact the delays in receiving JSA and ESA are currently having, this change in itself has the potential to drive more people into financial hardship.
- 2.3** However, potentially the most significant impact from extending the waiting days into Universal Credit comes from additional elements that are included within the new benefit above and beyond the basic allowance.
- 2.4** For additional elements such as housing costs, this would be the introduction of waiting days not an extension, as under the current arrangements individuals in need are entitled to claim these costs immediately.
- 2.5** By introducing seven waiting days into Universal Credit the Government is cutting the amount claimants will initially receive for their housing costs by an equivalent of a week's rent
- 2.6** The monthly and direct payments of Universal Credit are already making benefit claimants less appealing for private rented sector landlords to take on; knowing that they will potentially struggle to meet their rent due to receiving a reduced first benefit payment will only compound this.
- 2.7** As seen from the most recent statistics that failure to maintain a tenancy has already become the single most common reason for an individual becoming homeless, with the numbers having doubled in the last 4 years. By introducing seven waiting days into Universal Credit the Government is putting individual's ability to secure or maintain their tenancies at further risk.⁴
- 2.8** Through the recent introduction of easements from conditionality for people affected by homelessness, the Government has recognised the principles that having a secure and stable roof above your head and ensuring claimants receive the necessary financial support they need to do this are prerequisites to being able to look for employment.
- 2.9** However, this recognition has not being carried through to extension of benefit waiting days in legacy benefits or Universal Credit, either through including those who are homeless amongst the list of those exempt from the regulations or by excluding the support claimants receive for housing costs from the waiting days.

⁴ [DCLG](#), Table 774: homeless households accepted by local authorities, by reason for loss of last settled home, October 2014

2.10 While these changes may realise savings from the budget of the Department for Work and Pensions in the short-term, evidence from the numbers already accessing foodbanks and the additional pressures being put on support services as a result of changes to the welfare system would suggest that these will generate extra costs for other Government departments, local authorities and charities.

Recommendations

- **The YMCA proposes that the claimants who are exempt from serving the extension to the benefit waiting days under Universal Credit should be broadened to include individuals who have been made homeless.**
- **The YMCA proposes that the housing element within Universal Credit be excluded from any waiting days, in line with current Housing Benefit arrangements.**

Short-term benefit advances

- 3.1** As raised in our previous response to the Social Security Advisory Committee, while Short Term Benefit Advances potentially offer an immediate remedy to hardship, there remain a number of issues with how these are administered.
- 3.2** 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.⁵
- 3.3** To avoid a repeat of this situation where poor communications on behalf of Jobcentre Plus is leading to unnecessary hardship amongst 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.
- 3.4** 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 the process of paying Short Term Benefit Advances increase the likelihood of claimants suffering unnecessary financial hardship.

⁵ See 1

-
- 3.5** YMCA also has concerns regarding how quickly Short Term Benefit Advances will need to be paid back by claimants under Universal Credit. If they simply serve to stave off short term hardship to then place claimants into months of suffering, Short Term Benefit Advances are not fulfilling the purpose for which they were established.
- 3.6** Even for young people receiving just the standard allowance element of Universal Credit, paying back their Short Term Benefit Advance could mean having their benefits cut back by over £80 a month, which is a significant amount for those whom budgeting struggles and living hand-to-mouth are an everyday reality.

Recommendations

- **The YMCA proposes that the Government work with relevant service providers to ensure key information relating to Short Term Benefit Advances is better communicated to all claimants and where appropriate this is tailored to meet the needs of particular groups such as young people.**
- **The YMCA proposes that the standard terms of Short Term Benefit Advances should be revised to allow claimants to pay back any money they receive over a longer period of time.**
- **The YMCA proposes that a duty be placed on Jobcentre Plus to both make a decision and pay any agreed Short Term Benefit Advances to claimants within 3 working days.**
- **The YMCA proposes that the Government be required to monitor and frequently report data on Short Term Benefit Advances, including numbers applying and receiving advances, and the time taken to process application and pay claimants.**