

Crisis submission to the Public Accounts Committee inquiry into benefit sanctions

November 2016

1. Introduction

- 1.1 Crisis, the national charity for homeless people, is pleased to respond to this inquiry into benefit sanctions.
- 1.2 Crisis is dedicated to ending homelessness by delivering life-changing services and campaigning for change. We believe passionately that for many of the people we work with, finding employment is the best way of making a sustained exit from homelessness. Through our eleven Skylight centres across the UK we have a wealth of experience supporting homeless people into work.
- 1.3 Crisis shares the Government's intention of supporting people into work. For many homeless people, finding a job is the best way of moving on from homelessness.
- 1.4 In 2015 Crisis commissioned Sheffield Hallam University to research the impact of conditionality and sanctions on people with experience of homelessness or at risk of becoming homeless. The research draws on the experiences of 1,000 people using homelessness services across the country. All findings and case studies highlighted in this response are from the aforementioned research¹.
- 1.5 In particular the research explored the impact of financial sanctions on people's movement towards the labour market and makes a number of recommendation to improve the current conditionality regime to positively impact on employment outcomes for people with experience of homelessness.

2. Sanctions and homelessness

- 2.1 The vast majority (88 per cent) of homeless people want to work, either now or in the future. However they are disproportionately affected by benefit sanctions. In 2014 39 per cent of people using homelessness services were sanctioned, making them more than twice as likely to be sanctioned as the general population.
- 2.2 People also become homeless as a result of being sanctioned. 21 per cent of people using homelessness services became homeless as a result of a sanction and 16 per cent had to sleep rough. This is in part due to Housing Benefit being stopped in error when a claimant is sanctioned.
- 2.3 Homeless people with more complex needs such as those with mental ill health, dependency issues and poor literacy issues are more likely to be sanctioned than homeless people who do not experience these vulnerabilities.

3. Conditionality and homelessness

- 3.1 Amongst homeless people and those at risk of homelessness there is widespread support for the principle of conditionality, even amongst those who have been sanctioned. However, homeless people and those at risk of homelessness are often sanctioned because they *cannot* comply with the conditions imposed on them, and not because they *will not* comply.

¹ Batty, E., Beatty, C., Casey, R., Foden, M., McCarthy, L., Reeve, K. (2015) [Homeless people's experiences of welfare conditionality and benefit sanctions](#). London: Crisis.

- 3.2 Sanctions are often the result of inappropriate and unrealistic conditionality requirements being placed on homeless people, which do not always reflect their ability to effectively seek work.

William has borderline learning difficulties, mental ill health (schizophrenia, anxiety and paranoia), poor computer literacy, has a support worker and has recently served a three year prison sentence. On release he was advised to claim JSA and was instructed to apply for 15 jobs per week. William made every effort to meet his requirements - *'I pushed everything out of the way just to meet the target, like going and seeing my kids and everything like that, just to get to the target'* - but he could not apply for enough jobs and was sanctioned. A couple of months later William made a successful claim for ESA and was placed in the Support Group (i.e. recognised as not capable of work-related activity).

4. The impact of sanctions on movement into work

- 4.1 Users of homelessness services say the sanctions regime makes them more likely to comply with their conditionality requirements, where they are able to. Just under three quarters (72%) say the threat of being sanctioned makes them more likely to turn up to appointments. However, just 58 per cent of those who have actually been sanctioned say the same, suggesting that the experience of being sanctioned does not provide any greater incentive to comply. This may be because many people are already doing all they can to meet their conditionality requirements.
- 4.2 Sanctions are instead pushing vulnerable people further from the labour market. 60 per cent of homeless people and those at risk of homelessness who have been sanctioned say it had a negative effect on their ability to look for work.

Kyle missed out on a job opportunity because he could not afford to keep his mobile phone operational while he was sanctioned. Phones, and phone credit was considered a luxury and was often last on respondents' list of priorities, making job searching and the chance of securing work very difficult. Kyle explained what happened to him: *'I lost a trial shift in the 'Frog and Parrot', a restaurant. They said they tried to phone me and my phone was off and they hired someone else. It was a 28 hour kitchen porter job and it's not far away so that would have been good cos my hostel's just in town, I could have been there in 10 minutes.'*

5. The unintended impacts of sanctions

- 5.1 As well as causing homelessness and rough sleeping, sanctions are pushing homeless people into debt and hunger, straining relationships with friends, family and children and exacerbating mental and physical health problems in an already vulnerable population.
- 5.2 Just over three quarters (75%) of homeless people and those at risk of homelessness who have been sanctioned have gone hungry or skipped meals. 64 per cent have gone without heating and 75 per cent say it has negatively affected their mental health.

Following an accident **Ja** had to stop working while he recovered and signed on. He was soon sanctioned for failing to attend an appointment and then sanctioned again for the same reasons (he had not received the letters). The stress of the situation – including of having no money, of mounting debt (including to loan sharks), and the

threat of losing his home - had a significant effect on his mental health. When he had to stop seeing his son (he could not afford to feed him or heat his home when he stayed) he hit rock bottom. Since Ja was first sanctioned less than 18 months ago he has been diagnosed with bipolar disorder and borderline personality disorder, has made two suicide attempts and has spent a period under section in a psychiatric hospital. Shortly before he was interviewed he had suffered a stress-related heart attack. Ja is 36 years old.

6. Recommendations

6.1 To more effectively support homeless people and those at risk of homelessness into employment, and to make sure that the conditionality regime does not put people at risk of homelessness or destitution, it is recommended that:

6.1..1 The Department for Work and Pensions must ensure sanctions do not result in claimants' Housing Benefit being stopped, and report on progress in resolving this issue

6.1..2 Conditionality requirements should be suspended until housing issues are resolved

- DWP should extend the current 'easement' rules on conditionality to anyone who is homeless, until their housing situation is resolved. The extended easement should be applicable to contracted out providers as well as Jobcentre Plus. To ensure Work Coaches and contracted out providers make use of the easement with immediate effect, DWP should issue guidance to management and frontline staff, proactively publicising the easement rules. Guidance should make clear that homeless Universal Credit claimants should similarly have their conditionality requirements 'switched off' while seeking to resolve their housing situation.

- From day one of the claim Work Coaches should be required to ascertain whether an individual is homeless or at risk of homelessness so that the easement can be applied. A flag should be included on claimant files to indicate this in order to ensure the easement is applied.

6.1..3 Work Coaches and contracted providers should exercise greater leniency when financial sanctions are likely to put an individual at risk of homelessness or destitution

- DWP should introduce a new financial assessment for Jobcentre Plus decision makers to deliver before a financial sanction can be issued. The assessment should determine if a sanction is likely to result in destitution or homelessness, in which case it should not be issued.
- Contracted providers of employment support programmes should be given greater freedoms not to raise a doubt over a sanctionable offence when deemed inappropriate or counterproductive to supporting a homeless person into work. Furthermore, DWP should issue clear guidance to providers on what might constitute a 'vulnerable' person and thus who can be exempted from requirements placed on the provider to raise doubts.
- DWP should introduce a system whereby the first sanctionable offence can be overruled for claimants with a history of homelessness. This should prompt a

discussion between the claimant and the Work Coach about barriers to compliance and a review of the Claimant Commitment.

6.1..4 Employment support and conditionality requirements should be better tailored for people who are homeless or at risk of homelessness

- The DWP commissioning framework, and future devolved commissioning models in Scotland and via city deals, should incorporate an in-depth and ongoing assessment process into the design of future employment support provision. This assessment process should take into account the barriers homeless people, or those at risk of becoming homeless, face so that both the support they receive and the associated conditionality requirements placed upon them are realistic and achievable.
- DWP should introduce a uniform set of service standards across Jobcentre Plus and contracted out provision to ensure high quality services are delivered and individual needs are met. Such service standards should guarantee that homeless people receive the support needed to overcome specific barriers to work, as opposed to being sanctioned for not complying with unachievable or inappropriate activities. Service standards should be underpinned by a programme of training and enforcement measures.
- Providers of employment support provision, including Jobcentre Plus, should include housing and homelessness specialists within their delivery model. Specialists should have expert knowledge to navigate support services for people at risk of, or with experience of, homelessness.
- DWP guidance on the Claimant Commitment should clearly state that job seeking activities should be co-designed between the claimant and Work Coach, and reviewed on an ongoing basis. This would ensure set requirements are realistic and productive to the individual's journey into employment, thereby preventing homeless people from being unfairly sanctioned.
- Work Coaches and contracted providers should capitalise on the positive efforts claimants are already making to improve employability by supporting their engagement with the voluntary sector to access support, courses or volunteering opportunities. The mandatory conditions required of them should not impose time restraints that prohibit claimants from participating in these activities, and independent efforts to find work through such agencies should allow claimants to fulfil their conditionality requirements where relevant.
- Housing support should be included in the commissioning framework for future employment support programmes, including the Work and Health Programme and devolved employment support in Scotland, to encourage the inclusion of specialist housing and homelessness organisations in supply chains.

6.1..5 DWP must fully evaluate the effectiveness of conditionality and sanctions in moving people into the labour market

- DWP should commission a review of the effectiveness of the current conditionality and sanctions regime and make the necessary modifications to

improve its functionality accordingly. In particular, the review should evaluate the appropriateness and effectiveness of the regime in supporting homeless claimants into work, and the link between sanctions and homelessness. This should consist of an independent inquiry into the objectives and impact of the conditionality regime, followed by ongoing monitoring and evaluation to track progress.

- DWP should formally report on progress in meeting the recommendations of the Oakley review. In particular there should be an evaluation of DWP's progress to improve communications and information about hardship payments and appeals, reviewing why this has failed to improve vulnerable claimants' awareness and understanding. Progress should also be measured against the Department's progress in using forms of communication other than letters to communicate with claimants.

For further information, please contact

Helena Brice, Public Affairs Officer

020 7426 3857

Helena.brice@crisis.org.uk