

## **Cabinet Member Decision Making Session – 29 May 2014 Finance and Performance**

Report of Cabinet Member for Finance & Performance

### **Amendment to the qualifying criteria of the York Financial Assistance Scheme (YFAS).**

#### **Summary**

1. This report outlines the reasons for proposing a change to the qualifying YFAS criteria to include a limited number of customers where financial hardship has been caused by a benefit sanction imposed by the DWP (Department for Work & Pensions).
2. The Cabinet Member is asked to agree the proposals to allow awards to be made for 'Emergency' assistance where a customer is formally challenging a DWP sanction decision.

#### **Background**

3. The York Financial Assistance Scheme (YFAS) provides help to residents in financial difficulty. Those who are affected by DWP benefit sanctions are currently excluded from the scheme except in very limited circumstances.
4. Under the 'Emergency Assistance' criteria (to help with a disaster or crisis) YFAS can cover a limited amount of daily living costs for those in crisis:

*“The maximum amount for living expenses – for you and your partner is **30%** of IS, JSA (IB), ESA (IR) Pension Credit (or Universal Credit equivalent) personal amount appropriate in your circumstances”.*

5. For 13/14 this amounted to £3.07 per day and £3.10 for 14/15 for single people aged 25 and over.

6. YFAS applicants with a sanction are currently offered a food bank voucher as an alternative. In Quarter 3 of 2013/14, 24 food bank vouchers were issued in these circumstances.
7. Partners in 'Advice York' (part of York Citizens Advice Bureau) have highlighted the extreme difficulty clients are facing because of the tougher DWP sanction regime imposed from autumn 2013. There has been much recent national publicity about the way that sanctions are being applied. Advice York looked in detail at a number of such cases and found that sanctions are being unfairly enforced, resulting in hardship. A recent report that they submitted to the DWP is contained at Annex A and is available on Advice York's website.
8. Their report found that a number of cases had a sanction applied unfairly because:
  - the conditions set for the client in meeting their commitments for benefits did not match their ability;
  - the client had difficulties accessing the on-line job searching facility Universal Job Match;
  - the Job Centre had not been accepting all the jobs a client had applied for;
  - decisions had not taken into consideration reasonable circumstances that led to clients missing an appointment.

### **Proposed change**

9. Where a sanction has been given to a client and evidence exists that the DWP decision is being formally challenged (by a reconsideration or appeal), it is recommended that YFAS supports the client until their reconsideration/appeal is complete (or the sanction has run its course) so that residents do not face additional hardship.
10. Procedures would be in place to ensure that decisions were based on accurate information so as not to 'overpay' customers and not to 'reward' those who were sanctioned appropriately. It is important that the council does not put itself in a position of undermining, or be seen to be undermining national DWP policy and 'picking up' any financial burden resulting from that policy. We would place a cap on the amount payable so that it was never more than the financial loss caused by the sanction. We would regard one sanction incident as a single YFAS claim even though there might

be multiple individual payments made (for example we would not pay upfront for the whole period of the sanction but may pay fortnightly).

11. Experience from other councils (Source: 'The Knowledge Hub') is that from the seven which responded to the question 'Could you comment on whether you provide support to people because their benefit has been sanctioned?':
  - three said 'Yes'– (one on condition that applicants engaged with their Neighbourhood Employment programme);
  - two said 'No' ; and
  - two said that the issuing of food vouchers was standard but could make a cash award depending on the individual circumstances.

### **Potential Financial Impact**

12. An analysis of the 24 cases mentioned above found that individual sanction periods ranged from 7 days to 157 days (5 months). If the YFAS scheme was to have paid each of them the full £3.07 daily rate for the full period of the sanction it would have cost £2,818 or a maximum of £8,454 for the year, which is containable within the current budget. Spend for 2013/14 shows that 76% of the DWP grant of £315k was spent, allowing some flexibility for an extension of the scheme. In practice, however, expenditure would not have reached that maximum figure as the recommendation is to consider only those that have challenged the decision based on evidence, thereby targeting support. Spend would be monitored and the scheme reviewed as necessary.

### **Consultation**

13. There is no statutory requirement to consult on this change to the scheme, however Advice York has produced a report at Annex B which recommends the changes contained in this report.

### **Options**

14. The Scheme can be left untouched leaving provision and criteria as it stands.

15. That the proposal is adopted thereby channelling emergency financial support to those most affected by this aspect of Welfare Reform.

### **Analysis**

16. There is no further analysis other than the existing information in the report.

### **Council Plan**

17. This report and its recommendations will help to deliver two priorities in the Council Plan to 'Protect vulnerable people' and to 'Build strong communities'. Financial assistance will be targeted at those most in need and will assist in allowing residents to continue to live in our communities.
18. The scheme will continue to be considered and monitored as part of the council's Financial Inclusion Policy work with regular reports to the Financial Inclusion Steering Group and the Cabinet Member for Finance & Performance.

### **Implications**

19.

a) **Financial**

There will be a modest and containable increase in YFAS expenditure. Close monitoring will ensure that it is contained within the existing budget.

b) **Human Resources (HR)**

None

c) **Equalities**

The attached Community Impact Assessment at Annex C indicates that the scheme will have a positive effect by protecting some of the council's most vulnerable customers. The case studies in Annexes A and B provide some examples including one of a client with learning difficulties.

d) **Legal**

None

e) **Crime and Disorder**

None

f) **Information Technology (IT)**

None

g) **Property**

None

h) **Other**

None

### **Risk Management**

20. There is a risk of customer demand outstripping available resources. To mitigate this expenditure will be reviewed on a regular and frequent basis to ensure that money is paid from the most appropriate source and used efficiently.
21. Procedures will be put in place to ensure that customers do not take unfair advantage of this change.

### **Recommendation**

22. The Cabinet Member is asked to approve the change to the qualifying criteria under the Scheme to consider 'Emergency' awards for some customers whose DWP benefit has been subject to a sanction.
23. **Reason:** *To ensure there is no gap in provision of urgent financial resources available to our most vulnerable residents at times of crisis. To mitigate the impacts of wide ranging welfare benefits changes. To meet the priorities set down in the Council Plan and Financial Inclusion Strategy.*

## Contact Details

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Report  
Approved

Date 11/05/14

### Specialist Implications Officer(s)

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**Wards Affected:** *List wards or tick box to indicate all*

All

### Background Papers:

Previous publicly available cabinet reports relating to the YFAS Scheme.

### Annexes

- A 'Advice York' Response to JSA Sanctions Review (Jan 14)
- B 'Advice York' Sanctions & YFAS Report (March 14)
- C Community Impact Assessment
- D Summary of Abbreviations