

Benefit Sanctions and York Financial Assistance Scheme

The York Financial Assistance Scheme (YFAS) provides help to residents in financial difficulty. It replaced Community Care Grants (CCG) and Crisis Loans that were provided by the Department for Work and Pensions (DWP) until 31 March 2013. However, those who are affected by benefit sanctions are currently excluded from the scheme except in very limited circumstances.

Partners in Advice York have highlighted the extreme difficulty clients are facing because of this policy. There has been a lot of recent national publicity about the way the Government's new national sanctions regime is being implemented. In our response to the recent review, Advice York has found that sanctions are being unfairly given out, resulting in extreme hardship. (See report for more details: www.adviceyork.org.uk/our_reports.html)

The York Financial Assistance Scheme (YFAS) criteria covers 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”

Dominic Billington, CYC explained that the majority of sanctioned customers who had applied for a YFAS grant had applied for a grant to cover daily living costs. But, at present the scheme's criteria means that those who have received a benefit sanction are excluded from the scheme unless they are a victim of a disaster:

“Certain people whose benefit claim is disqualified, disallowed or sanctioned can only get an award because of a disaster.”

In cases where a customer applies for a YFAS grant but has been sanctioned, the scheme is unable to provide assistance. Applicants are currently offered a food bank voucher instead. In Quarter 3 of 2013/14, YFAS gave out 24 of these vouchers for those who had been sanctioned.

This brief report will look at some of the problems of excluding sanctioned customers from YFAS and make recommendations for a small change to the scheme.

The problems:

Sanctions unfairly given out:

The Government is yet to release any information about the number of successful reconsiderations or appeals of sanctions. However, advice agencies have widely reported that huge numbers of benefit sanctions are being given out unfairly. A recent Advice York report found that:

“York and District CAB have dealt with 25 issues relating to Job Seekers Allowance (JSA) sanctions in the third quarter of 2013/14. These accounts for 1 in 4 issues related to JSA and are up 127% on the previous year. Of the food bank vouchers they handed out, 22% were as a result of a JSA sanction.”

The report highlighted a number of cases showing the affect of sanctions the had been given out unfairly because:

- the clients conditionality was not matching their ability;
- the client had difficulties accessing 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.

One client, who lives alone in one bed roomed local authority flat, was sanctioned in early February. The reason given was that the client had failed to apply for the regulatory number of jobs over the period of a week. The client had successfully applied for two part-time jobs and is just waiting for her CRB check to come through before she can start the work. The client had not wanted to waste anyone’s time, both hers and employers, by applying for jobs when she was going to be starting two in the near future. Despite this, the client was sanctioned for 4 weeks.

When a clients’ JSA is stopped the Job Centre Plus tell Housing Benefit but not that the reason for this is due to a sanction. The outcome is a suspension of Housing Benefit which then also affects Council Tax Support payments.

The advisor agreed in this case that the client has been unfairly sanctioned, and is helping the client to appeal the decision.

As a result of the sanction the client has accumulated rent arrears and council tax debts; the client now has no income to cover any living costs including food, heating, etc. for the period before her two jobs start or until her reconsideration/ appeal is successful.

These situations clearly leave clients disadvantaged and without an income through no fault of their own. The affects from the sanctions are wide ranging and often leave clients with no food, no money for gas or electric and increased housing and council tax debt. Where a sanction has been given to a client that is unfair, we would recommend that YFAS supports the client until their reconsideration/appeal is complete so that residents do not face the impacts of extreme poverty.

Limited Foodbank parcels:

The Trussel Trust, who work in partnership with local churches and communities to open foodbanks, currently have one food bank in York, at the Tang Hall Community Centre and at Gateway Church in Acomb. They give food parcels to members of the community who have been given a food voucher from partner agencies such as CAB. The food parcel gives the client enough food for three days. One of the Trussel Trusts policies is that a household is only eligible for a maximum of three food parcels in a six month period. This means that over the six month period a household will only be able to get 9 days worth of food. The new sanction regime has a minimum sanction period of 4 weeks, this leaves a client with potentially 19 days without food.

One single client aged 61 who lives in sheltered housing has been sanctioned for 4 weeks. The reason for the sanction was that he had only applied for 3 rather than 5 jobs in one week. He has been unemployed since suffering heart attack 2 years ago and has ongoing health issues. The client had previously been claiming Employment Support Allowance (ESA) but failed the Work Capability Assessment and therefore is now forced to claim Job Seekers Allowance.

In addition to the sanction he was also told incorrectly by DWP that he was not able to get a hardship payment

The client has now had two food bank vouchers and only allowed one more, yet he has the rest of the month to go. His fuel bill is due, which he does not have the money to pay for, and he is generally struggling to live. He is not currently able to apply for any help from YFAS.

A client came to CAB for help with debts as a result of having his JSA sanctioned. He went to sign on as normal and found out he had missed his appointment as he did not receive the appointment letter. The client has already used up his three food bank vouchers and is therefore now unable to get any more. He has no income to meet any of his living costs.

Other living costs:

The harsher sanctions regime introduced in October 2012 means that the minimum length of a benefit sanction is now 4 weeks. Although a food voucher may help a client with some of their food needs during this period of this time, the client faces many other essential living costs during this period of time. Not being able to pay these costs results in clients going in to debt which can have long lasting effects beyond the sanction period. For those that had already been struggling with a low income and debt, the removal of benefits for a period of one month can mean missed debt payments that have been previously agreed, leading to bailiffs being sent to their homes and possible homelessness. The severe situation clients affected by

sanctions face has an impact on clients health, both physical due to lack of food, heating, toiletries, medication, etc and mental health through the stress of trying to manage. As our previous report also highlighted because of these difficulties they find it very difficult to continue jobseeking at this time.

A vulnerable client, who has learning disabilities, was unable to remember appointments to sign on or understand the requirements of the job seekers agreement due to poor reading and writing skills. Although he had support, Jobcentre Plus were inflexible in their approach with him and sanctioned him on a constant basis.

He wasn't eligible for hardship payments, which resulted in him being served notice on his home. Further adding to his vulnerability and causing him extreme stress. He now requires additional support and interventions from other agencies. In the longer term, he is now at risk of homelessness, making finding a job even more difficult.

Conclusion and Recommendations:

It is clear that at present a number of York residents are being treated unfairly by the Department for Work and Pensions sanctions regime. The inappropriate or incorrect use of sanctions is causing long lasting hardship and pushing people into poverty. Food bank vouchers, although some help, are not the solution to the problem due to their limited nature and the fact that there are other essential living costs that need to be met.

The City of York Council has the opportunity to help their residents affected by these Government changes avoid hardship and poverty from benefit sanctions through amending their financial assistance scheme.

In order to help those in appropriately sanctioned, we recommend that the scheme is amended so that clients who are currently in the process of having their sanction reconsidered, or are appealing the decision are able to apply to YFAS for a grant to help with their living cost.