



Sheffield Citizens Advice

Administrative Office

Ground Floor, The Old Dairy, Broadfield Road, Sheffield, S8 0XQ
Tel: 0114 280 3908 | www.advicesheffield.org.uk

EXPERIENCE OF JOBSEEKERS ALLOWANCE SANCTIONS (October 2013 – March 2014)



Charity no: 1153277 **Company Registration no:** 08616847 **VAT Registration no:** 169952453
Registered Office: Ground Floor, The Old Dairy, Broadfield Road, Sheffield, S8 0XQ
Sheffield Citizens Advice is the trading name of Sheffield Citizens Advice and Law Centre Ltd
Sheffield Citizens Advice and Law Centre is authorised and regulated by the Financial Conduct Authority. FRN: 617731.

Author: Tim Arnold

May 2014

Prepared on behalf of
Sheffield Citizens Advice Social Policy Group:

Tim Arnold, Kate Bushen, Jhangeer Din, Lesley Faithful, Sally Gay, Lindsay Heffer, Glenis Hogan, Douglas Johnson, Frances Potter, Steve Wilcox.

CONTENTS

THE CONTEXT	4
INTRODUCTION	7
PROFILE OF THOSE AFFECTED BY SANCTIONS	8
Gender.....	8
Age	9
Ethnicity	10
Health and Disability	10
Where our Clients Came From	12
JOBSEEKERS ALLOWANCE SANCTIONS STORIES	13
THE KNOCK-ON EFFECTS OF SANCTIONS	16
Housing Benefit and Council Tax Benefit	16
Financial Hardship	17
Debt	17
THE UNDERLYING SOCIAL FACTORS	18
Homelessness	18
Dealing with debts	18
Parental responsibilities	18
Speaking English as a second language	18
System Failure - Poor Communication	20
Targeting	20
Appeals/reviews.....	21
CONCLUSIONS AND RECOMMENDATIONS	22
Housing Benefit	22
Better transparency and communication	22
Jobseekers Agreements/Claimant Commitments	23
Punishment to fit the crime	24
Immediate access to Hardship Payments for all householders	24
Financial redress where a sanction is found to be incorrectly applied	25
APPENDIX 1	26
Types of Sanction and Hardship Payments.....	26
APPENDIX 2	27
Hardship Payments	27
APPENDIX 3	28
Weekly Rates of Jobseekers Allowance (2014-15).....	28
APPENDIX 4	29
Alan’s Story	29

THE CONTEXT

“Sanctions are in place for a very good reason – if people claim benefits, but don’t play their part in trying to get a job, there should be consequences.

“There is no evidence of a link between welfare reform and increased use of food banks. The idea that we stop people’s benefits because they get the paperwork wrong is mad.” ***Attributed to a source “close” to Iain Duncan Smith, Catholic Herald (www.catholicherald.co.uk) 21 February 2014***

“*Smarter Sanctions* reveals that each year as many as 68,000 people on Jobseeker’s Allowance have their benefits taken away by mistake and face unnecessary hardship as a result. This figure refers to claimants who have failed, for example, to attend a Jobcentre interview for the first time, and receive a sanction which is appealed and later overturned. The report suggests that such financial penalties have contributed to the rise in the number of people using food banks.” ***From the synopsis of “Smarter Sanctions –Sorting out the System” a report by the Policy Exchange think-tank (www.policyexchange.org.uk) 03 March 14***

“I do not object to the use of sanctions in the tiny number of cases in which they might be needed as long as they are proportionate and reasonable. However, I do object to the hounding of some of the most vulnerable people in our society, often for trivial, ill-considered or utterly unjustified reasons, and driving them into destitution when those who caused the financial crash and the longest recession in this country for 140 years get no sanction at all. It is a classic case of one law for the rich and another for the poor” ***Michael Meacher, MP, House of Commons, 3 April 2014***

“We reiterate our view that conditionality is a necessary part of the benefits system and that sanctioning, if used appropriately, can be a useful tool for encouraging engagement with employment support. Sanctions should be used primarily for this purpose and as a last resort. Strict conditionality regimes should be balanced by meaningful and in-depth advice and support from JCP for those who need it.

“Under the new rules introduced in late 2012, the number of sanctions has increased to the extent that some 5% of all Jobseekers Allowance claimants are sanctioned every month. Some 860,000 Jobseekers Allowance claimants were sanctioned in the year to June 2013, the highest number in any 12-month period since at least April 2000. Our evidence suggests that many claimants have been referred for a sanction inappropriately or in circumstances in which common sense would suggest that discretion should have been applied by Jobcentre staff

“We recommend that DWP take urgent steps to monitor the extent of financial hardship caused by benefit sanctions, including by collecting, collating and publishing data on the number of claimants "signposted" to food aid by Jobcentres and the reasons for claimants' need for assistance in these cases.

“It is important that JCP makes fair and proportionate sanction referrals and that the process is transparent. We welcome the current independent review which will focus on the clarity of communications between JCP and claimants in relation to the conditionality and sanctioning process; the availability of hardship payments for sanctioned claimants; and the clarity of the review and appeals process. We strongly believe that a further review is necessary and welcome the Minister's commitment to launch a second and separate review into the broader operation of the sanctioning process.

“We recommend that the second review of sanctions investigate: whether sanction referrals are being made appropriately, fairly and proportionately, in accordance with the relevant Regulations and guidance, across the Jobcentre network; and the link between sanctioning and benefit off-flow, including whether benefit off-flow targets have an

influence on sanctioning rates. We also recommend that this review consider whether, and to what extent, the use of sanctions is having the desired effect of encouraging claimants to engage more actively in job-seeking. We further recommend that this review is launched as a matter of urgency and reports before the end of 2014.” ***Extract from the List of conclusions and recommendations of the Work and Pensions Select Committee report “Role of Jobcentre Plus in the Reformed Welfare System” 28 January 2014***

“Sanctions play a vital role in supporting the conditionality regime. They encourage claimants to comply with the requirements that are designed to help them move into or prepare for work. And we know that where sanctions are understood, they have a positive impact on claimant behavior but it is right that we continue to test the system works effectively.

“We have already committed to an independent review by Matthew Oakley which will look primarily at the communications to claimants and offer recommendations to improve the operations of the sanctions process. And we will be publishing further information on sanctions through the forthcoming Work Programme Evaluation and the claimant commitment research to help inform our future strategy. We are fully committed to monitoring the current regime to ensure it continues to deliver the intended outcomes and will assess whether any further evaluation is needed once the current evaluation programmes have concluded.” ***UK Govt. response to Work and Pensions report, 2 April 2014***

INTRODUCTION

Conditionality and the use of sanctions, where a benefit is stopped or reduced, is not new to the UK benefits systems. However over recent years, as part of the welfare reform agenda, the number of people being sanctioned, often repeatedly, has increased dramatically.

Not only are sanctions applied to Jobseekers Allowance claimants but also to certain Employment and Support Allowance claimants who have been found to have only a “Limited Capacity for Work” due to ill-health or disability.

Sheffield Citizens Advice and Law Centre opened its doors on 1 October 2013 and this report draws on the data it holds across the city of our clients who have contacted us and details some of their stories.

This report focuses mainly on the experience of Jobseekers Allowance claimants with the recommendation that Sheffield Citizens Advice and Law Centre undertake a follow-up report on the experiences of Employment and Support Allowance claimants.

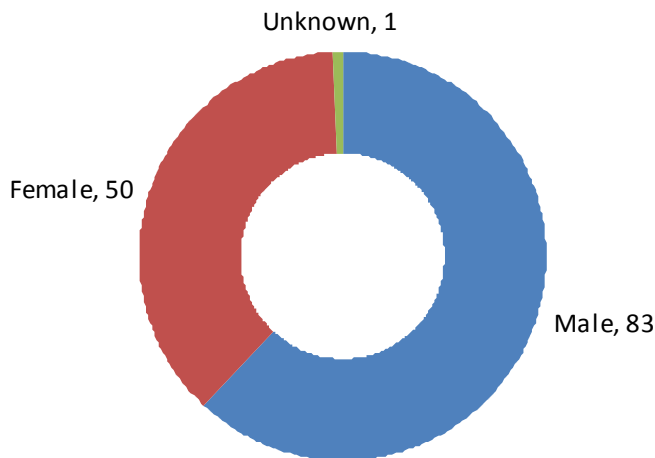
PROFILE OF THOSE AFFECTED BY SANCTIONS

Between 1 October 2013 – 31 March 2014, 134 individual clients are known to have contacted us about problems arising from JSA sanctions (*this is known to be an underestimate of the actual number, due to advisers unfamiliarity with using the Citizens Advice case recording system PETRA which was used first across the city from 7 October 2013*).

Gender

The following table and graph shows that 37% were women and 62% were men. This is roughly in line with gender claimant count figures for South Yorkshire (<https://www.nomisweb.co.uk/articles/818.aspx> May 2014)

Gender	
Male	83
Female	50
Unknown	1
TOTAL	134

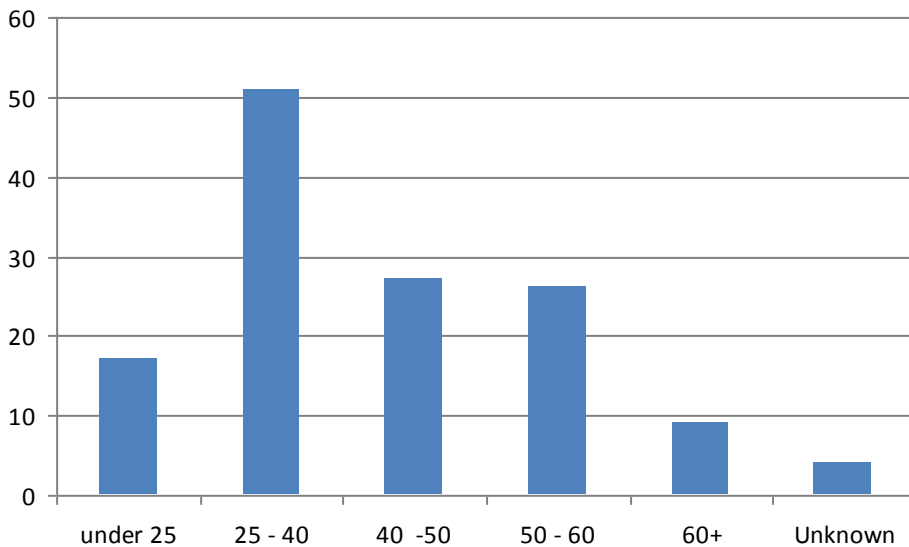


Age

The following table and graph shows that 12.7% were under 25, 38% aged 25-40, 20.1% aged 40-50, 19.4% aged 50-60, 6.7% over 60 and 3% unknown.

Age

under 25	17
25 - 40	51
40 -50	27
50 - 60	26
60+	9
Unknown	4
Total	134

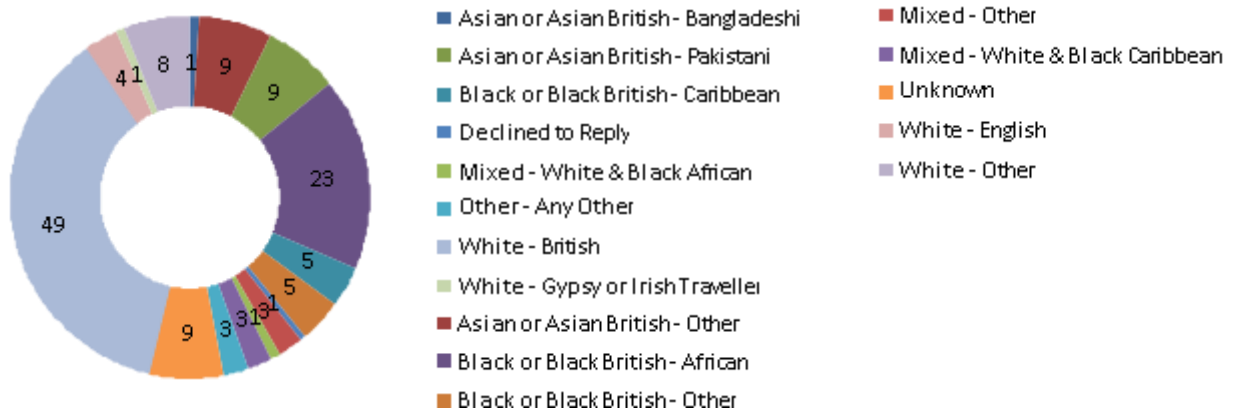


Ethnicity

The following graph and table shows that 39.5% of our clients described themselves as White British or English and 53.7% from BME communities.

Ethnicity

Asian or Asian British - Bangladeshi	1
Asian or Asian British - Other	9
Asian or Asian British - Pakistani	9
Black or Black British - African	23
Black or Black British - Caribbean	5
Black or Black British - Other	5
Declined to Reply	1
Mixed - Other	3
Mixed - White & Black African	1
Mixed - White & Black Caribbean	3
Other - Any Other	3
Unknown	9
White – British and English	53
White - Gypsy or Irish Traveller	1
White - Other	8
Total	134

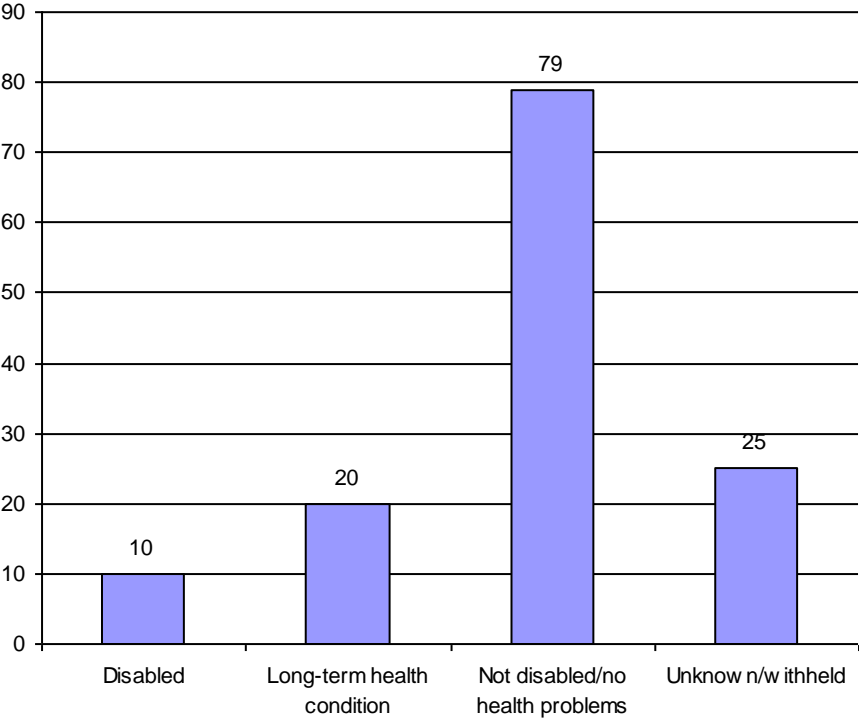


Health and Disability

The following table and graph shows that 22% described themselves as either disabled or having a long-term health condition, 59% with no disability or health problems and 18% unknown or withheld.

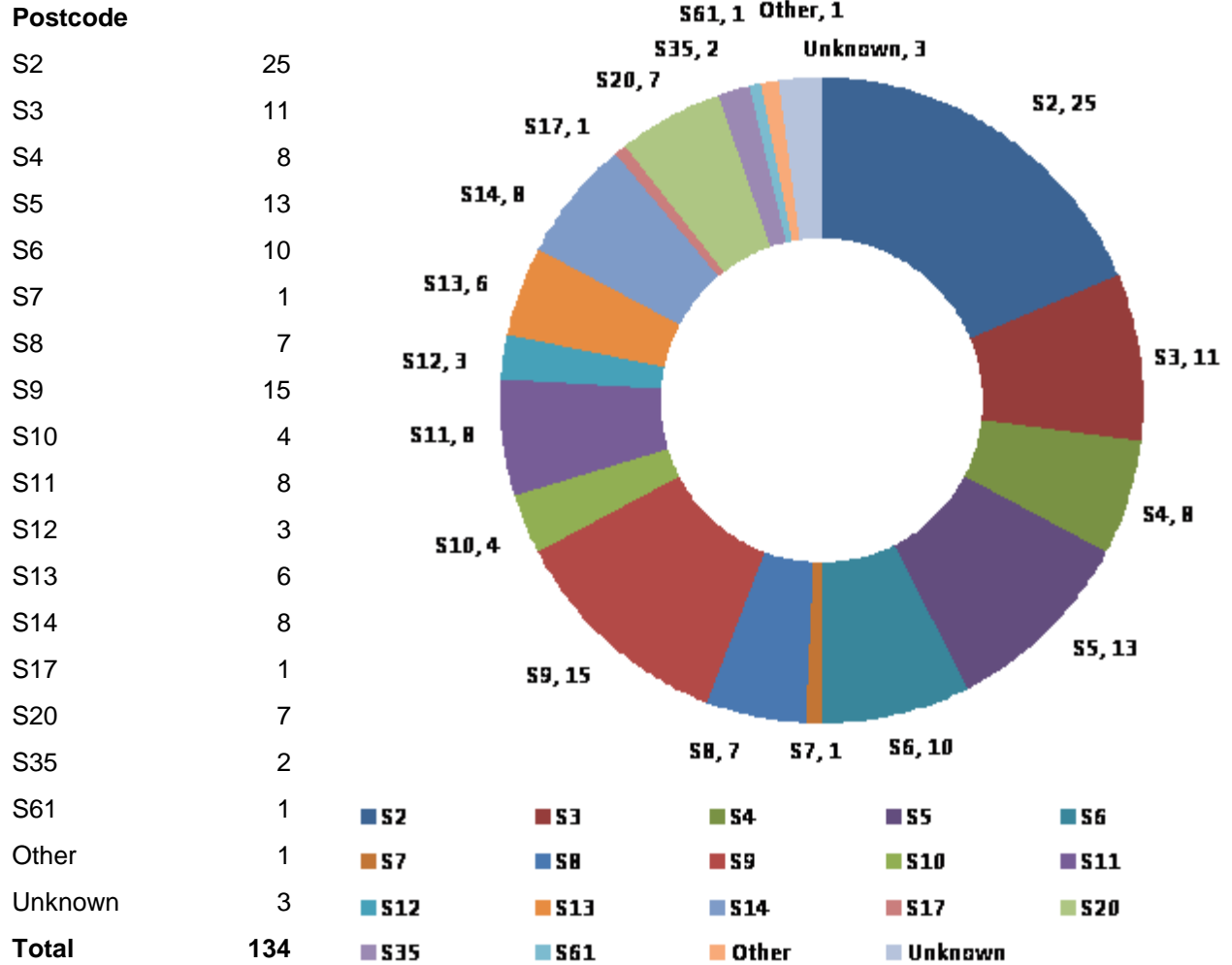
Disability/Health Problems

Disabled	10
Long-term health condition	20
Not disabled/no health problems	79
Unknown/withheld	25
TOTAL	134



Where our Clients Came From

The following table and graph shows where our clients came from.



JOBSEEKERS ALLOWANCE SANCTIONS STORIES

These are some of our clients' stories: -

Godfrey is single man who came to UK from Jamaica in the late 1950s. He worked throughout his adult working life until he lost his job 5 years ago and since then he has been signing on and claiming JSA. He will be eligible to receive Pension Credit within a year. Despite this his JSA was sanctioned because of a "doubt" about his looking for work.

Asha was wrongly sanctioned but successfully challenged the decision and the sanction was lifted. Her JSA was not put back into payment for a further four weeks as she was again told, incorrectly, that she had another sanction for the same period. Not only did she have nothing to live on but her Housing Benefit and Council Tax Support were also suspended.

Tony is in his mid 50s and is vulnerable because of his learning disabilities and dyslexia. He can't read or write. Despite the fact that he gets significant support with looking for work from a local Job Club, he was sanctioned for not doing 'enough' jobseeking.

Mahmood was sanctioned more than once because his Work Programme provider had sent incorrect information about non attendance to the Jobcentre. Although the Work Programme provider agreed that the information was incorrect, the organization was reluctant to rectify the problem by providing the correct information.

Sally lives with her two adult daughters aged 22 and 27. Although she cares full-time and acts as appointee for her eldest daughter she was also claiming Jobseekers Allowance. Rather than advising Sally on her entitlement to alternative benefits as a Carers allowance and Income Support, her Jobcentre adviser not only refused to

acknowledge her caring responsibilities but also put her forward for a sanction which then left her without income

Mary's JSA was sanctioned for 12 weeks for allegedly giving up a job voluntarily. Mary, who has severe bi-polar disorder and had recently been re-housed because of family abuse, has never had a job.

Karolina, a lone parent with two children aged 12 and 6, was sanctioned for 3 months for not actively seeking work. Her jobseekers agreement said she had to look for 20 jobs per fortnight but because of language difficulties and because of her caring responsibilities she struggled to manage this. On one occasion she could only demonstrate that she had looked for 16 jobs within the relevant fortnight. Despite being only four jobs short, she was handed a three months sanction

Alan was given a 4 week sanction for not actively seeking work. Because of his limited literacy/numeracy skills he had been enrolled for an 8 week course in English and Maths. He thought that as he was taking this course he did not need to complete his work search book for that period.

Fozia cares full time for her son and was receiving Carers Allowance and Income Support. When her son's Disability Living Allowance was reduced by the DWP Fozia could no longer claim Carers Allowance and Income Support and she had to claim Jobseekers Allowance instead. The decision to reduce the DLA has been appealed and Fozia still has to care and act for him. The appeal is likely to take around 12 months to reach a conclusion. In the meantime Fozia has been sanctioned twice (the last time for 12 weeks) because of her caring responsibilities and she has been left with no money. Despite written support from her GP regarding her caring role, the Jobcentre won't agree to modify her Jobseekers agreement or take into account that a final decision hasn't been made on her son's Disability Living Allowance. Her Housing Benefit has also been suspended during the sanction periods and her rent arrears have increased dramatically.

Birhane lives with his wife Hadinet in council accommodation. Birhane claims Employment and Support Allowance because he is not well enough to work. Birhane and Hadinet also receive Housing Benefit and Council Tax Support. Birhane's brother in law, Woldu, lives with them. Because Woldu is under 25 and on Income Based Jobseekers Allowance no "non-dependant deduction" is taken from Birhane and Hadinet's Housing Benefit or Council Tax Support. However, Woldu received 4 sanctions over a 12 months period causing his Jobseekers Allowance to stop. These sanctions had a knock-on effect on Birhane and Hadinet's Housing Benefit and Council Tax Support, reducing the awards by £13.60 and £3.65 respectively for each week Woldu was sanctioned. (These were the amounts of "non-dependant deduction" for someone aged between 18-25 not on income based benefits or in work for that period).

THE KNOCK-ON EFFECTS OF SANCTIONS

For most of our clients even a brief sanction can have considerable knock-on effects. Claims for Housing and Council Tax Support, already tight budgets for essential outgoings, existing debt repayments can all be disrupted and require considerable time and effort to rectify. This in itself can further disrupt job-seeking activities.

Housing Benefit and Council Tax Benefit

Housing Benefit and Council Tax Support can also be affected by JSA sanctions with the Local Authority acting quickly to stop or suspend claims on receipt of information from the Jobcentre. This in turn can lead to rent arrears making clients vulnerable to homelessness. Further steps have to be taken to either reclaim and backdate or appeal the HB decision.

Sabina is a lone parent whose Housing benefit and Council Tax Support was stopped following a Jobseekers Allowance sanction. She was unaware that this had happened and incurred significant rent and council tax arrears and then faced a threat of potential homelessness.

Emma is young single woman under 25 with no family support. Following a sanction for missing an appointment she had no money to live on for two weeks until she became eligible for hardship payments. She got by on food from a food bank. The sanction also triggered the suspension of her Housing Benefit and Council Tax Support. Additionally, she already had a Suspended Possession Order on her Council flat. This required her to pay £3.60 pw, in addition to her rent to avoid enforcement of the Possession Order. Not only could she no longer make these payments but because her Housing Benefit had stopped her rent wasn't covered and she came very close to losing her home.

Financial Hardship

Many of our clients report being unable to take care of their basic needs because they are unable to buy food during the sanction period. Many require repeated referrals to food banks. Although hardship funds are available (generally paid at **60%** of normal JSA personal allowance rates) for some there is no access for the first two weeks of a sanction period and many client's reported ignorance of their availability

Siobhan is a single parent who fled domestic violence and was re-housed with her son by the City Council. She contacted the Job Centre by phone on finding that her Jobseekers Allowance hadn't been paid. She was told she had been sanctioned for not going to an appointment. Unfortunately Siobhan had gone to the wrong venue. She wasn't told she could claim hardship payments or that she should keep signing on. She did not receive the letter confirming the sanctions. She survived for 4 months on limited income from her Child Tax Credit and Child Benefit and on food handouts.

Barry is on probation and was sanctioned for 4 weeks after missing an appointment at the Job centre. He wasn't advised about hardship payments and had no money for food, gas and electricity. This increased the likelihood of his reoffending.

Debt

Debt problems are made worse through benefit sanctions due to inability to put by in order to meet essential expenditure such as utilities, rent payments, (particularly where there is a current shortfall not covered by Housing Benefit) and Council Tax (unless exempt, all claimants are now liable for at least 23% of their Council Tax).

Ari was subjected to a sanction that left him surviving on handouts for 5 months. He wasn't told that he could claim hardship payments. During that time he built up significant "priority debts" for rent as well as for gas, electricity and council tax.

THE UNDERLYING SOCIAL FACTORS

There are many underlying social factors that make these clients more vulnerable to benefits sanctions. Many of our clients were trying to cope with the issues arising from dealing with poverty and/or adjusting to life in the UK when they received JSA benefit sanctions.

Homelessness

Clients dealing with the problems associated with securing housing have obvious difficulties in keeping a good record of their job search.

Dealing with debts

Debt related problems are compounded by benefits sanctions. This can lead to claimants being less likely to be able to continue with their job search to the appropriate standard because of more pressing concerns.

Parental responsibilities

People with sole responsibility for the care of primary school age children may have difficulty in keeping appointments to the standard required by job centre staff. Parents may not be able to adequately feed their children or themselves after the sanction has been applied because of lack of money.

Speaking English as a second language

Clients who speak English as a second language are often unable to understand the responsibilities placed upon them through their job seekers agreement.

Hiyab is from Eritrea and came to England in November 2011 with his wife and 4 children aged 9, 7, 2 and 1. He can't speak, read or write English and has had no formal education. He does not know how to use a computer and has some health issues – including diabetes and high blood pressure. He speaks Amharic and attended the bureau with a friend after receiving three letters dated 13, 25 and 27 February 2014, about his claim for Jobseekers Allowance which effectively sanctioned him for 15 weeks (25 January - 9 May) for not "actively seeking work." When the Bureau spoke to the Jobcentre, we were told that Hiyeb had not provided evidence of job searching.

In addition to the loss of benefit for more than three months, Hiyab also lost his Housing Benefit and Council Tax Support and the family had to rely on reduced rate hardship payments and their Child Tax Credits and Child Benefits.

Hiyab was still confused about what was expected of him because, despite his obvious difficulties with both language and using computers, he indicated that he had had little support from Jobcentre Staff in regard to assistance with Job Search and evidencing his efforts.

Hassan is a 56 year old Somali who came to England in July 2012 from Kenya as a refugee through the "Gateway" programme. He came with his wife, Sahra, and four children aged 23, 18, 16 and 13. None of the family can speak, read or write English. The 3 dependant children are now at school or college and the non-dependant 23 year old son is in receipt of ESA because of his severe epilepsy. Hassan and his wife both attend ESOL classes but their understanding of English is still very poor and they have little or no IT skills

Hassan claimed IB JSA but has been repeatedly sanctioned and, apart from hardship payments, had no money for 4 months. More recently, under the Claimant Commitment he has been told to carry out 20 job searches and risks further sanctions if he doesn't

comply. Realistically he will struggle to look for the number of jobs required as he has not had sufficient time to adapt and adjust to his new circumstances and surroundings and needs to learn English and attend classes first to build basic literacy skills

System Failure - Poor Communication

Some clients report that they are not informed of the decision to sanction before benefit is stopped. A common experience is that they realise that no money has been paid into the bank first and then later get a letter stating that their benefits have been stopped. The decisions letters are also often unclear or confusing.

Other client's report being sanctioned for not attending interviews for which they has received prior notification.

Ahmed was given a 4 week sanction for failing to attend an appointment with A4E. He hadn't received a letter notifying him of the appointment, otherwise he would have attended. He is working very hard to find employment and regularly attends a Council run job club. He had no money for more than 2 weeks during the winter and could not top up his gas or electricity meter when it was very cold.

Targeting

Some clients reported that they felt that were being unfairly referred for sanctioning and their personal advisers at the jobcentre were either too quick to refer them for sanctioning or used referrals as a threat.

Despite repeated assurances by Jobcentre officials that sanction targets do not exist, a survey of PCS union members revealed that 23% of members had been given explicit targets for referring claimants for sanctions; 36% of members stated that they have been placed on a Performance Improvement Plan for not making enough sanctions referrals and 10% have gone through formal poor performance procedures for not

making enough sanctions referrals. **Public and Commercial Services Union website, 1 May 2014**, http://www.pcs.org.uk/en/department_for_work_and_pensions_group/dwp-news.cfm/results-of-the-pcs-membership-survey-on-conditionality-and-sanctions

Appeals/reviews

Some clients who feel they have received a sanction unfairly are reluctant to appeal or ask for a review. This is because of the length of time this will take and, even if successful, an appeal will only result in corrective action being taken long after the client has had to cope without any benefit payment. Even though a claimant can ask for a sanction decision to be reviewed, the sanction stands until a further decision is made and claimants who appeal commonly wait 6 months or more before their appeal is heard. Other clients report being reluctant to appeal as they fear being targeted for further sanctions

Mandy was sanctioned for not attending a Work Programme interview appointment that had neither been made nor notified to her. She attended a Work Programme interview in late September after receiving a letter inviting her to the 'initial appointment'. She was then sanctioned for failure to attend a Work Programme interview on 5th September. This had apparently been notified in a letter dated 2nd September, although she had never received such a letter. Although the decision to sanction her was eventually overturned on review, she had already been sanctioned for three months. This caused considerable distress and hardship

Kevin's claim for JSA was sanctioned when he forgot to bring his work search book to his local Jobcentre when he signed on. As he lived close to the Jobcentre he volunteered to go and get it but he was not allowed to do so. Kevin was reluctant challenge the sanction as he did not get on with the staff at the Job Centre and felt that he would be targeted for further sanctions if he challenged the decision or complained.

CONCLUSIONS AND RECOMMENDATIONS

This report does not recommend the abolition of conditionality. It is recognised that sanctions can have their place, as a last resort, where it is clear that there is a deliberate intention not to be available for or seek work. However, the evidence of many of our clients indicates that the punishment (i.e. the sanction and its knock-on consequence) is often out of proportion to the “offence.” Therefore, we urge and recommend the following changes to address this disproportionately

Housing Benefit

There is no logical reason as to why Housing Benefit and Council Tax Support should stop when a claimant receives a Jobseekers Allowance sanction. The reason this happens is because of a notification sent by DWP to Local Authorities to say that Jobseekers Allowance has stopped. However the wording and spirit of Housing Benefit Regulations allows sanctioned claimants to still be considered as in receipt of Jobseekers Allowance despite it being stopped due to a sanction. We understand there is no policy decision to impose a further punishment by stopping Housing Benefit. This problem could be avoided by amending the notification sent to local authorities to show that the Jobseekers Allowance has stopped due to a sanction allowing Housing Benefit to continue without interruption. In the past it has been indicated that the cost of correcting this error is disproportionate in the light of forthcoming Universal Credit. However, that was stated at a time when Universal Credit was thought to be imminent.

Better transparency and communication

Many clients tell us that they weren't aware that they had been sanctioned until contacting the jobcentre on finding that they had no money in their bank account. Subsequent decision letters are often poorly worded without a clear explanation as to what “misconduct” led to the sanction. This is important because without this

knowledge there is a reduced opportunity for claimants to address their behaviour and reduce the risk of further sanctions. Furthermore decision letters do not inform the claimant that a notification would be sent to the local authority which would have the effect of stopping housing benefit (see above). Therefore we would recommend that the Jobcentre reviews the wording of their decision letters to provide more detailed information as to what led to the sanction and gives information about possible knock on consequences such as to housing benefit. We would also recommend that a sanction is not put into effect until the decision letter notifying the client has been sent and has had reasonable time to be delivered. The notification letter should clearly inform the claimant of their right to challenge the sanction, how to do so and how to access hardship payments where appropriate.

Jobseekers Agreements/Claimant Commitments

For many of our clients sanctions appear to have been imposed because they have failed to carry out agreed steps or activities. Many report that they face barriers (e.g. through language, caring responsibilities, health problems) which meant that they could not reasonably have carried out the agreed steps. Others report that they didn't understand what had been agreed.

From our conversations with Jobcentre staff it is apparent that often they are not aware of genuine barriers some claimants may face.

We recommend that the Jobcentre ensures that in all cases claimants are made aware that they have a say in the contents of the jobseekers agreements and that they have the right to have the agreement looked at again if they are not happy with the content. Additionally the Jobcentre should take whatever steps are necessary to be certain that all relevant factors (which may be a barrier) have been fully taken into account when deciding on the content of the jobseekers agreement. Where necessary, staff could be invited to awareness training about the practical difficulties faced by some claimants with specific difficulties such as learning disabilities, mental health issues and language

barriers bearing in mind the fact that there is an imbalance of knowledge and authority between the parties drawing up the commitment i.e. JC+ staff and the claimant.

Punishment to fit the crime

There needs to be thorough parliamentary review of the workings of sanctions as recommended by the Work and Pensions Select Committee in January 2014. The Government's response is disappointing, as there is no clear evidence, from the CAB experience, that the way sanctions are currently being used is changing the way people behave and moreover it appears to be acting in a disproportionately punitive way.

Accordingly we endorse and support Dame Anne Begg, MP, Chair of the Select Committee who, addressing Parliament on 3 April 2014, urged the Government to reconsider; *"I appeal again to the Government to consider setting up a second independent review, and not just of the administration of sanctions, but of their effectiveness. Do they actually work? Do they change the behaviour of the people affected? If they are not changing people's behaviour and so are purely punitive, the Government should be honest about that, because they must be saving money as a result. I do not think that most people would accept the application of sanctions that are purely punitive. If they are changing people's behaviour, that is a different matter"* (**Hansard House of Commons debates 03 April 2014** <http://www.publications.parliament.uk/pa/cm201314/cmhansrd/cm140403/debtext/140403-0002.htm#14040352000001>)

Immediate access to Hardship Payments for all householders

Immediate hardship payments are available for sanctioned claimants in certain vulnerable groups. Although paid at a lower rate than normal Jobseeker's Allowance they can represent a vital lifeline. However for most claimants these payments are not available for the first two weeks of a sanction period leaving many with no income whatsoever. For tenants and homeowners this can have serious consequences and

exacerbates the effect of the sanction for this particular group. Despite having no income they remain liable for essential outgoing such as Council Tax, (from 01 April 2013 all Sheffield residents have to find at least 23% of their Council Tax due to changes in the way Council Tax Benefit is paid,) Gas, Electricity, Water and rent/mortgage payments, where there is an existing shortfall not covered by Housing Benefit or Jobseeker's Allowance. The already tight budgets for essential outgoings, existing debt repayments are all disrupted adding to the punitive effect of the sanction. A sanctioned claimant in similar circumstances but is not a tenant or home owner does not face this additional knock on effect. Therefore we recommend that immediate access to Hardship Payments is extended to tenants and Homeowners.

Financial redress where a sanction is found to be incorrectly applied

The consequences of sanctions for many are set out in this report. Although the new system for looking again at decisions, introduced in October 2013, (Mandatory Re-consideration), can mean that, for some, a decision to impose a sanction can be overturned relatively quickly, for many disputes still end up before independent appeal tribunal. We understand that up to 50% of these appeals are upheld by these tribunals. We would recommend that where a tribunal upholds an appeal against a sanction automatic consideration is given to a compensation payment to cover any losses or debts that can be directly attributed to the knock on effects of the sanction.

APPENDIX 1

Types of Sanction and Hardship Payments

Sanctions are normally for a fixed period of 4, 13, or 26 weeks, or 3 years, depending on what they are for. It also depends on whether it is the first, second or third time a claimant is sanctioned at the same level within a certain period.

There are three different types of sanctions:

Lower level sanctions, normally 4 or 13 weeks, usually imposed for: -

- failure to take part in an interview
- failure to provide information
- refusal or failure to carry out a jobseeker's direction
- in most cases, failure to take part in a work for your benefit scheme such as the Work Programme. *However failure to take part in the "Mandatory Work Activity" scheme attracts a higher level sanction instead (see below)*
- "misconduct" on employment schemes and training programmes.

Intermediate level sanctions, also normally 4 or 13 weeks, usually imposed for not being available for work or not actively seek work.

Higher level sanctions, normally 13 or 26 weeks or 3 years, usually imposed for:

- misconduct to do with work, for example, leaving your job voluntarily
- misconduct to do with job vacancies, for example, refusing to apply for a job
- failing to take part in the Mandatory Work Activity scheme.

Nb: special rules apply to 16-17 year olds

APPENDIX 2

Hardship Payments

Some claimants can receive “Hardship Payments” which are **paid at a lower rate than the normal rate of benefit**

They are not automatic and must be applied for on a hardship application form and hardship must be established

Unless a claimant is in a “vulnerable group,” no hardship payment is made for the first two weeks.

“vulnerable groups” are defined as: -

- lone parents
- claimants with dependant children
- claimants or their partners who are pregnant
- claimants or their partners who are disabled or have a long-term chronic medical condition
- certain carers
- you are aged 16-17

APPENDIX 3

Weekly Rates of Jobseekers Allowance (2014-15)

Contribution based JSA - Personal rates (for a maximum of 26 weeks)	£
under 25	57.35
25 or over	72.40
Income-based JSA - personal allowances	
under 25	57.35
25 or over	72.40
lone parent	
under 18	57.35
18 or over	72.40
couple	
both under 18	57.35
both under 18 - higher rate	86.65
one under 18, one under 25	57.35
one under 18, one 25 and over	72.40
both 18 or over	113.70
Some of the additional "Premiums," paid to certain claimants in specific circumstances	
pensioner	
single	75.95
couple	112.80
disability	
single	31.85
couple	45.40
enhanced disability	
single	15.55
disabled child	24.08
couple	22.35

APPENDIX 4

Alan's Story

Alan is single, aged 55, and lives with his mum in council accommodation. He has learning difficulties and is dyslexic. He has no formal qualifications and attended a 'special school'.

Alan was sanctioned in February 2014, because he 'did not actively seek work,' He was referred to us by a Sheffield City Council Job Club, where he goes for help with finding work, because his Jobseeker's Allowance had been stopped. Alan didn't realise he had been sanctioned. The Job Club was astounded that Alan had been sanctioned because he regularly attends the drop-in so that a volunteer can help him with his job search.

When we first met Allan, he could not tell us if he'd been sanctioned, why he'd been sanctioned, what date the sanction started or how long it was for. When we asked him if he had received a letter, he replied 'I couldn't read it if I had'.

We helped him to make a hardship payment application and with a 'mandatory reconsideration' request, asking the Jobcentre to look again at the decision. After a delay of six weeks, the 'mandatory reconsideration' was looked at by a Decision Maker at the Jobcentre and the decision was overturned. The Decision Maker told us that there was no information on our client's case-file to indicate that he had any disabilities or problems with literacy.

We requested a copy of our client's claimant's Jobseeker's Agreement.

We asked Alan if he could read the contents of his Jobseeker's Agreement – he was unable to do so.

Alan's 'agreement' states that he will;

- write to one employer a week;
- check his internet 'universal jobmatch' account for jobs 3 times a week;

- ask family and friends and previous employers if they know of any jobs;
- look at websites and in the newspaper 3 times a week.

The Jobseeker's Agreement does not state that, with the exception of asking family, friends and previous employers, Alan is unable to undertake any of these activities without one-to-one support from someone else, such as a volunteer at his Job club. This support is not always available.

A section on page 3 of the agreement is headed 'Other activities I will do to improve my chances of finding a job'. Alan was unable to read this section and when it was read out to him he didn't understand what it meant.