

HOMELESSWATCH

A HIGH COST TO PAY

The impact of benefit sanctions on homeless people



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PRODUCED BY

Policy Team

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OVERVIEW

When people receive Jobseeker's Allowance (JSA) or Employment and Support Allowance (ESA), there are certain conditions and requirements attached to receiving these benefits. If these are not met, sanctions can be applied in the form of stopping benefit payments for a period of time. With a new sanctions regime introduced in 2012, if a sanction is applied, a claimant's benefits can be stopped.¹

Following increasing concern from Homeless Link's members² about the impact of benefit sanctions on their clients, Homeless Link undertook this research to examine the extent and consequences of benefits sanctions on people who are homeless.

We found that sanctions are disproportionately affecting homeless people. Although on average 3% of JSA and 2.7% of ESA claimants receive a sanction, our research found that a third of homeless people on JSA and nearly one in five on ESA had received a sanction.

We found that more young homeless people receive sanctions, as well as those with mental health issues, substance use issues and learning difficulties. For homeless people facing these challenges, it can be particularly difficult to meet the conditions of the benefits system, or to understand the consequences of non-compliance.

Homeless people are most commonly sanctioned because they have not attended a Jobcentre Plus advisory interview or failed to follow a jobseeker's direction – a formal instruction to take a certain action to find work. Although, like all claimants, homeless people are expected to comply with benefits requirements, being homeless can make this more difficult.

When claimants are sanctioned, they will lose the 'personal allowance' element of their JSA or ESA until the sanction is over. Many homeless people experience food poverty because of sanctions, often using food banks to meet their immediate needs. When sanctioned, claimants should continue to receive Housing Benefit, but our research found that rent arrears and evictions were common because homeless claimants did not know to notify the local authority of their circumstances, and subsequently lost their Housing Benefit. Some were applying for hardship payments, but for many the repayment schedule was a disincentive as it was already hard to make ends meet.

Sanctions make homeless people very anxious, and bring acute financial insecurity at the point when many are trying to move on with their lives. For some, this instability has made mental health or substance use issues worse. There is little evidence from our research that sanctions are helping encourage people into work or motivating them to engage better with Jobcentre Plus. There is a need for Jobcentre Plus advisors to have a greater understanding of homelessness and how this can impact on an individual's ability to comply with benefit conditions.

While the intention of sanctions is to incentivise claimants into work, our research shows that this is not happening for homeless people. Instead, sanctions are effectively punishing vulnerable people – who are trying to engage with finding work – for making mistakes. This is a high cost to pay for people who are least able to manage.

¹ http://www.turn2us.org.uk/about_us/e-bulletin/december_2012/benefit_sanctions_update.aspx

² Homeless Link is the national membership body for agencies working with homeless people across England. Members provide a wide range of services including supported accommodation, day centres, advice services, health and employment support. www.homeless.org.uk

INTRODUCTION

Many homeless people claim benefits – either Jobseeker’s Allowance (JSA) for those looking for work, or Employment and Support Allowance (ESA) to support those unable to work because they are ill or disabled. For many, these benefits are an essential lifeline to help them in their transition out of homelessness.

WHAT ARE SANCTIONS?

When people claim benefits like JSA or ESA, they agree to fulfil various requirements such as attending advisory interviews, applying for jobs, and attending training or work-related activities. If they do not meet these requirements, they may be given a sanction by Jobcentre Plus as a penalty, which means that their benefits are reduced or stopped. During the sanction period, claimants still have to meet the requirements for claiming benefits or their sanction may be extended.

Sanctions are given to set the expectation that, in return for receiving benefits, people have a responsibility to seek work. A common reason for sanctioning JSA claimants is non-attendance at an advisory interview, which is usually fortnightly. Claimants can also be sanctioned, however, for turning down a job or training offer, not applying for particular jobs, or for leaving paid work or training. ESA claimants may be sanctioned for not taking part in a work-focused interview or in compulsory work-related activity.

People may apply for a hardship payment to assist them during the time they are sanctioned. These loans, which must be re-paid, are currently set at 60% of the sanctioned amount, or £42.60 a week.

THE GOVERNMENT’S CHANGES TO SANCTIONS

In 2012, the Government made changes to the sanctions regime. From 22 October 2012 onwards, the length of JSA sanctions was increased from between 1 and 26 weeks, to a minimum sanction length of 4 weeks and a maximum of 3 years.³

From 3 December 2012, some ESA claimants⁴ could also be sanctioned for longer. When sanctioned, these claimants now lose a substantial part of their benefit.⁵ Prior to the changes, ESA claimants were given an open-ended sanction until they began to meet their requirements again. The changes have added a fixed length sanction of 1, 2 or 4 weeks following the open-ended sanction. ESA claimants are now eligible to apply for hardship payments.

OUR RESEARCH

Homeless Link’s members raised concerns during 2013 that homeless people are increasingly facing difficulties when their benefits are stopped temporarily through a sanction. Given these difficulties, and recent changes to the sanctions regime, we examined homeless people’s experiences of sanctions to understand the impact on them and the organisations that support them.

METHODOLOGY

We used three main methods in carrying out this research: analysis of data from the Department for Work and Pensions (DWP); a survey of Homeless Link’s members; and a series of case study interviews.

Analysis of DWP data: we analysed published DWP data on JSA and ESA sanctions. The JSA sanctions data is available up to October 2012, covering the period of the previous sanctions regime. DWP has not yet published data covering the new sanctions regime, which is for the period since October 2012. The data on

³ <http://www.dwp.gov.uk/docs/jsa-sanction-changes.pdf>

⁴ Those in the work-related activity group (WRAG)

⁵ When sanctioned, ESA (WRAG) claimants now lose all of their personal allowance (£71.70), but their work-related activity component will not be affected (£28.45).

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220216/eia-esa-sanctions-regs-2012.pdf

ESA sanctions is not comparable over time due to policy changes, but the most recent data available covers 2011-12.

Survey of Homeless Link's members: we surveyed a randomly chosen sample of 98 member organisations in July 2013 about the impact of sanctions on their service and clients. Surveyed organisations included direct access hostels, second stage accommodation projects, day centres, housing providers and advice services based in England. We stratified our sample by region, with 10 organisations in the sample from the South East and London, 12 from the South West, and 11 from each of the remaining six regions.

We received 82 individual attempts at our survey. 52 of these were usable responses coming from 41 member organisations (some larger organisations submitted two returns for different regions), giving a response rate of 50%. As our sample is relatively small, the survey results should be seen as indicative only.⁶

Case studies: in July and August 2013, we conducted semi-structured interviews and focus groups with four homelessness organisations, two service user panels, and two contacts from Homeless Link's Expert Advisory Panel⁷ who had their benefits reduced or stopped. We chose a purposive sample based on intelligence from our Regional Managers, our policy contacts and membership in sector panels, and follow up meetings with those that completed our survey.

In total, we spoke to 38 people in homelessness services. We interviewed 10 homeless people and 4 staff members from homelessness services. We held discussions with 5 people at the National Youth Reference Group,⁸ and another 19 in a discussion with the Experts By Experience group.⁹

⁶ The exact total number of homelessness organisations in England is not available. However, at a 95% confidence level, the confidence interval of our survey is at most 15.5 percentage points. This means there is a 95% chance that a finding for the total English homelessness population is within, at most, 15.5 percentage points of our survey results.

⁷ Homeless Link's Expert Advisory Panel is comprised of people with experience of homelessness. The Panel meets every two months to advise Homeless Link and external policy makers.

⁸ The National Youth Reference Group is made up of young people aged 16-25 from across England who are or have been homeless. The group exists to assist national and local Government, local authorities and organisations to develop and improve their involvement opportunities for young people. www.nationalyouthreferencegroup.co.uk

⁹ The Experts by Experience panel is coordinated by Wolverhampton City Council, and is made up of people who are or have been homeless.

HOW MANY HOMELESS PEOPLE ARE BEING SANCTIONED?

According to our survey, a third of homeless people claiming JSA and nearly 1 in 5 claiming ESA were sanctioned between May and July 2013, compared to around 3% of all claimants.

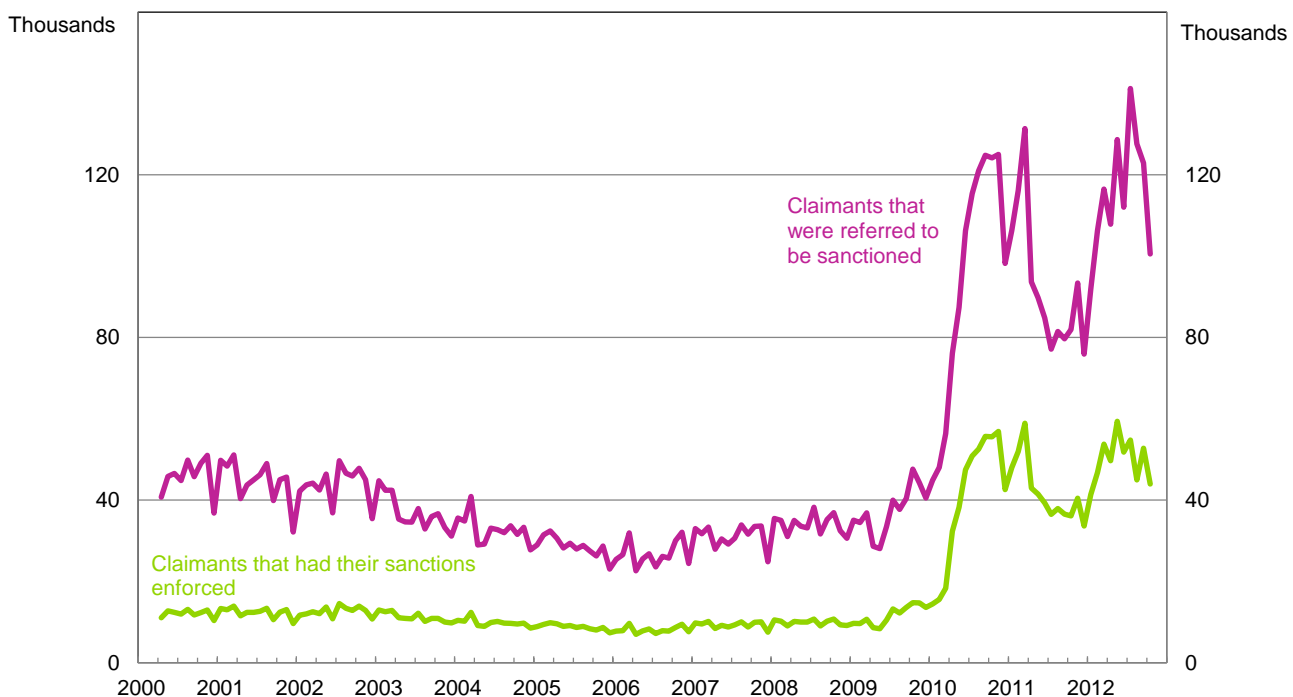
Around a third of homeless people claiming JSA had been sanctioned at the 46 organisations responding to our survey, and 18% of those claiming ESA were also sanctioned. Most organisations reported that a larger share of homeless people using their services had been sanctioned since the new sanctions regime was introduced in 2012, with 44 of the 52 respondents (85%) reporting an increase in sanctions for JSA claimants and 34 (65%) for ESA claimants. One organisation reported that the number of claimants on JSA being sanctioned had decreased, whilst another said the number on ESA sanctioned had decreased.

The latest available JSA sanctions data published by DWP for October 2012 (prior to the new sanctions regime) show that 100,500 claimants in the United Kingdom were referred to be sanctioned (Figure 1).¹⁰ 44% of these had their sanction enforced, which is 3% of the total number of people claiming JSA at the time (1.44 million) (Figure 2).

The share of JSA claimants in the UK receiving sanctions was fairly steady at around 1% of the total caseload in the ten years to 2010. It peaked at 4.3% in November 2010, soon after the government introduced ‘missing an appointment’ as a reason to be sanctioned, which led to a 45% rise in the number of people being sanctioned in the month it was implemented. There was another peak of 4.0% in May 2012 driven by the introduction of conditionality associated with the introduction of the Work Programme and related compliance failures in the year earlier.

Figure 1

Number of JSA claimants being sanctioned

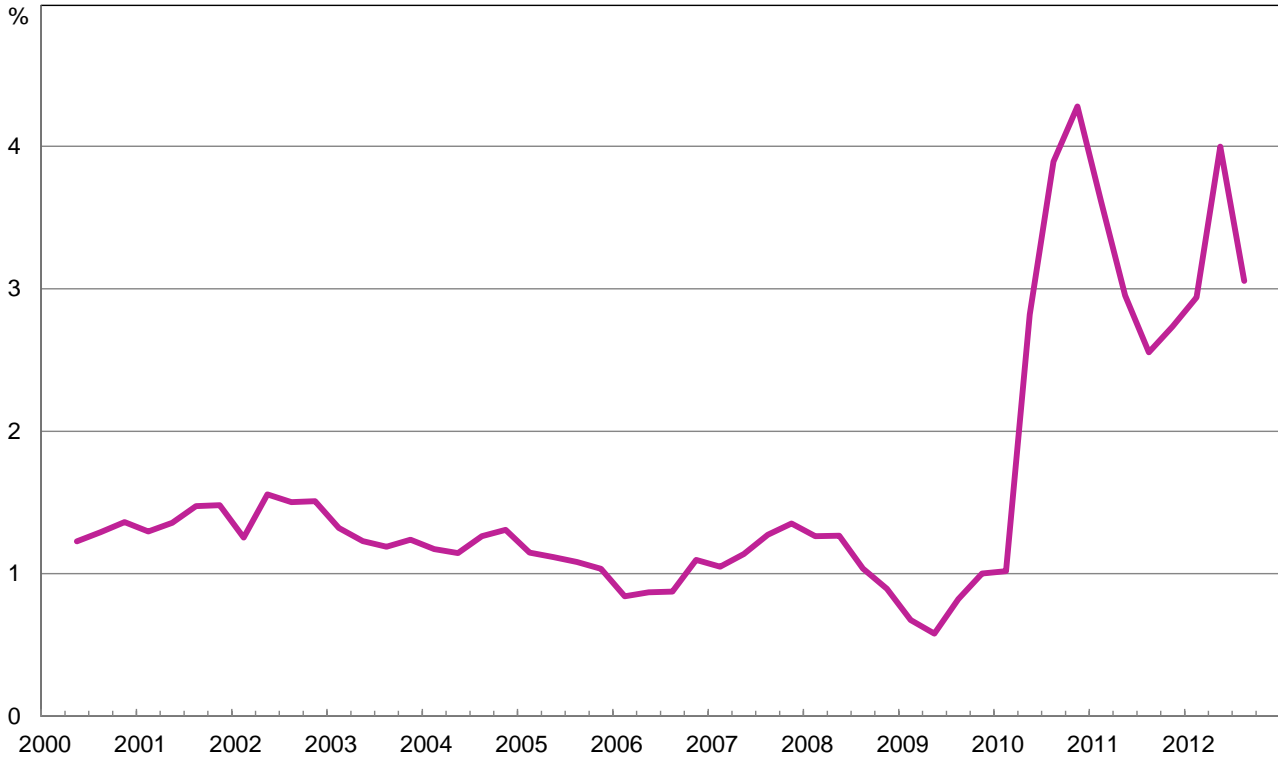


Source: Department for Work and Pensions

¹⁰ For data on JSA sanctions and caseload see the Department for Work and Pensions' *Tabulation Tool*: <http://83.244.183.180/sanction/sanction/LIVE/tabtool.html>.

Figure 2

Number of JSA Claimants sanctioned as a share of total caseload



Source: Department for Work and Pensions

Long-term data on the number of ESA claimants in the UK that have been sanctioned are unavailable because of policy changes in 2010/2011.¹¹ The latest data, however, show that 11,130 claimants were sanctioned in the year to May 2012, which is equivalent to 2.7% of the caseload.

The survey data demonstrates that sanctions rates appear to be substantially higher amongst homeless people than amongst general JSA and ESA claimants. Although, with staff more aware of sanctions, they may perceive them to be rising faster than they are, the data suggests that sanctions are increasing amongst single homeless people.

¹¹ Latest data on ESA sanctions are available in Department for Work and Pensions, *ESA Sanctions Official Statistics, August 2012*: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/198741/esa_sanc_aug12.pdf.

WHO IS BEING SANCTIONED?

Our survey showed that homeless people experienced sanctions in different ways, depending on their age, level of needs, and English language ability. We found that:

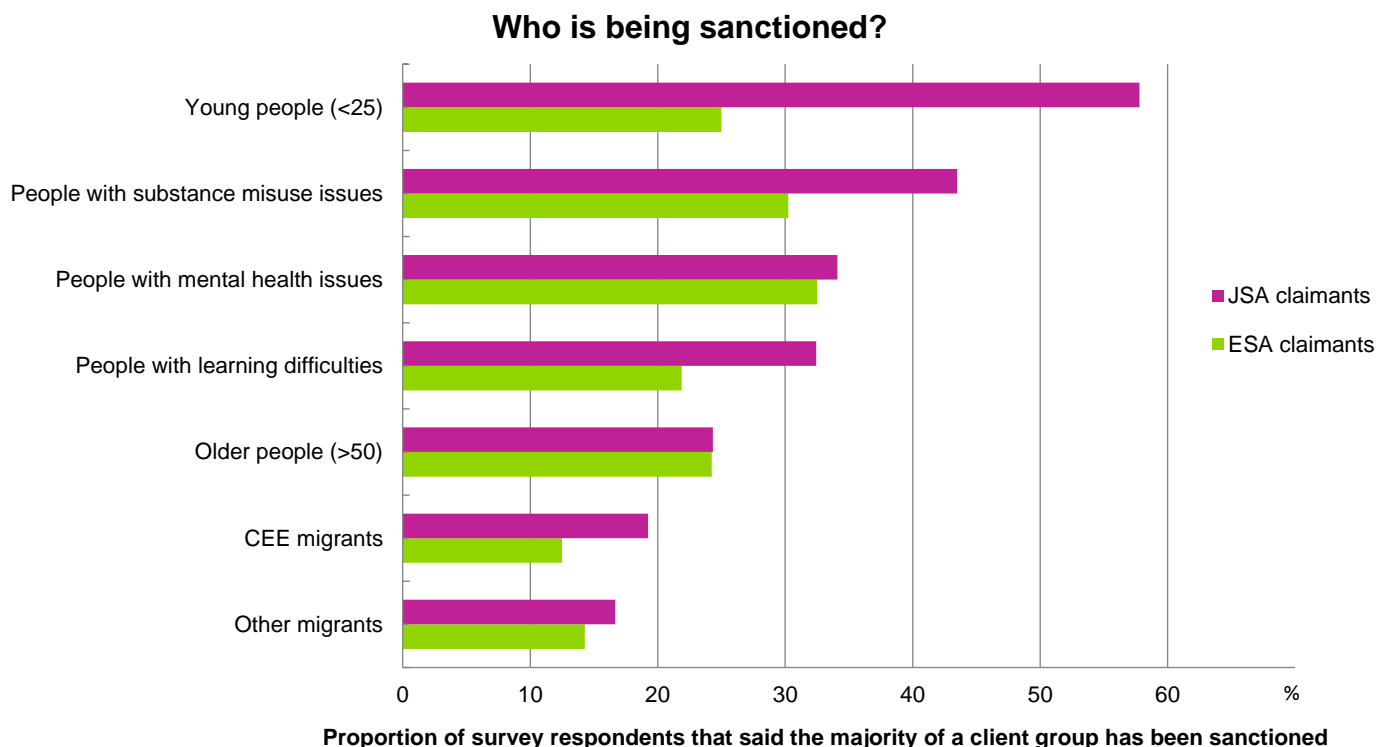
- Young people claiming JSA are the most likely to be sanctioned.
- Many homeless people who are sanctioned have mental health or substance use issues.
- Language difficulties are leading to sanctions for some homeless migrants.

YOUNG PEOPLE CLAIMING JSA APPEAR MOST LIKELY TO BE SANCTIONED

Nearly 60% of survey respondents said half or more of their young clients (under 25) claiming JSA had been sanctioned, compared to just 24% reporting that the majority of their older clients (over 50) claiming JSA had been sanctioned (Figure 3).

DWP’s data from October 2012 also indicate that young people are more likely to be sanctioned, with young people accounting for nearly 30% of people claiming JSA, but making up around half of claimants who are sanctioned (Figure 4). Similarly to our survey, only 5% of claimants who had been sanctioned in the year to October 2012 were older than 50, despite this age group accounting for 16% of all JSA benefit claimants; people aged 25-50 accounted for 44% of those sanctioned, but 56% of those claiming JSA.

Figure 3



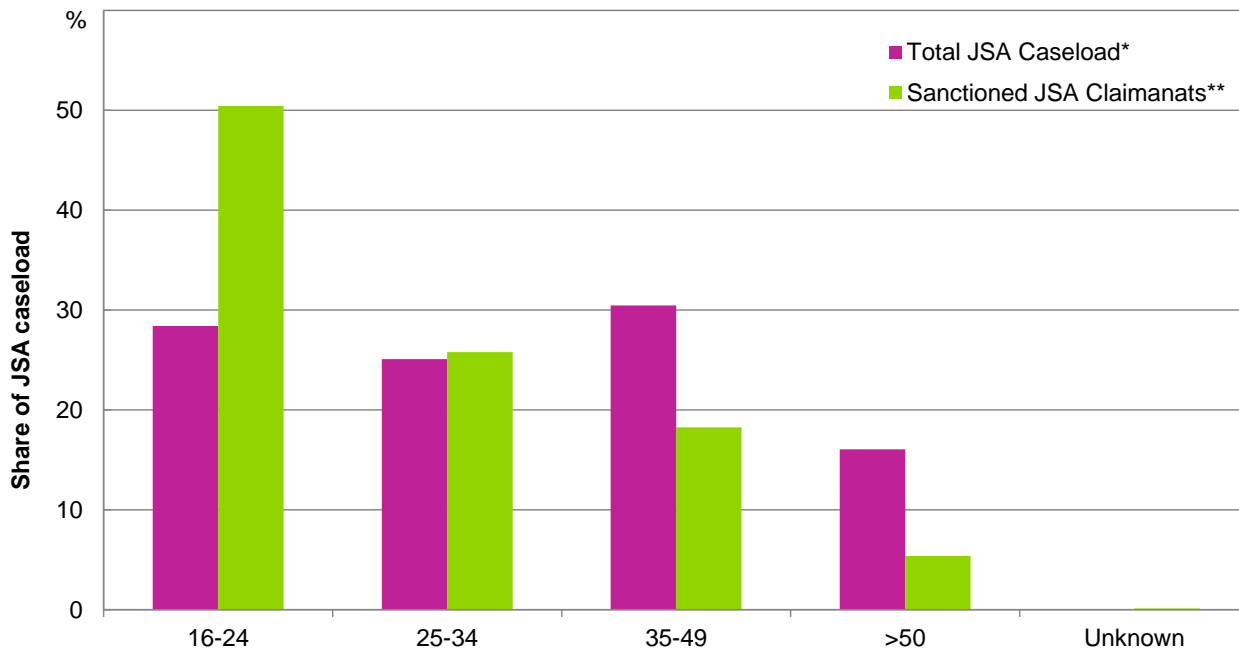
Source: Homeless Link sanctions survey

For homeless people on ESA, a quarter of organisations reported that a majority of young people had been sanctioned; the proportion was about the same for older people. There is no DWP data available on the ages of ESA claimants who were sanctioned.

Unemployment remains high for young people, and those who are homeless are doubly disadvantaged by having no stable base. Our *Young and Homeless 2012* report found that nearly two-thirds (61%) of young homeless people, who may have experienced care or disrupted home lives, lack independent living skills.¹² The impact of a sudden reduction in benefits income on them is likely to be serious.

Figure 4

JSA claimants and sanctioned claimants by age group



* Average over the year to October 2012 ** Average over the year to November 2012

Source: Department for Work and Pensions

MANY OF THOSE SANCTIONED HAVE SUBSTANCE USE AND MENTAL HEALTH ISSUES

Many homeless people experience mental and physical health issues, which are frequently not diagnosed: our 2013 Survey of Needs and Provision found that nearly a third (30%) of people using homelessness services in England have mental health needs, compared with just 3% of the English population.¹³ 28% of homeless people used drugs and 31% had alcohol issues. A substantial proportion of homeless people with health problems self-medicate using substances. These complex issues make many life skills particularly challenging for some homeless people.

Of the organisations that responded to our survey, substantial proportions reported that homeless people with specific needs had been sanctioned in the past three months (Figure 3 above):

¹² Young & Homeless 2012, Homeless Link, December 2012

¹³ Survey of Needs and Provision 2013, Homeless Link, April 2013; Mental Health Bulletin: Annual report from MHMDS returns, England 2011/12, initial national figures, February 2013, <http://www.ic.nhs.uk/catalogue/PUB10347>

Homeless people on JSA

- Nearly half (44%) reported that half or more people who had substance misuse issues were sanctioned;
- A third (34%) reported that half or more people with mental health issues were sanctioned; and
- A third (32%) reported that half or more people with learning difficulties were sanctioned.

Homeless people on ESA

- Nearly a third (30%) reported that half or more people with substance misuse issues were sanctioned;
- A third (33%) reported that half or more people with mental health issues were sanctioned; and
- Nearly a quarter (22%) reported that half or more people with learning difficulties were sanctioned.

Our survey results correlate with evidence from Citizens Advice which found many of the enquiries related to sanctions were *“from vulnerable people, including those with learning difficulties”*.¹⁴

These findings support evidence that people with high support needs are at particular risk of being sanctioned, as they may face more difficulties in adhering to the conditions set out by Jobcentre Plus, and face greater barriers when finding a job. A 2010 review by the Joseph Rowntree Foundation (JRF) of benefit sanctions regimes around the world found *“disadvantaged claimants facing multiple barriers to work were at higher risk of sanctions”*.¹⁵ A 2012 UK parliamentary report also said sanctions could unfairly penalise the most vulnerable people.¹⁶

In addition, the JRF’s review into sanctions suggests the majority of claimants have a limited understanding of the sanctions system. Our survey suggests that homeless people’s high support needs can make it particularly difficult for them to understand or comply with the benefits system. A survey respondent said their hostel residents *“would [have] acted differently had they known the potential consequences of not fulfilling a certain requirement”*.

LANGUAGE DIFFICULTIES ARE SOMETIMES LEADING TO SANCTIONS FOR MIGRANTS

A smaller proportion of surveyed organisations reported that half or more of Central and Eastern European or other migrant clients had been sanctioned in the past three months, ranging from 13% for ESA to 19% for JSA (Figure 3 above). A factor appears to be misunderstandings between Jobcentre Plus staff and migrant clients caused by language barriers. Staff at a homelessness organisation in the North West reported that language barriers were a particular problem for its homeless Central and Eastern European clients, with the service spending considerable time speaking with Jobcentre Plus to clarify the situation for its clients.

¹⁴ As cited in Department for Work and Pensions, *Responding to Change in Jobcentres*, 2012: <http://www.publications.parliament.uk/pa/cm201314/cmselect/cmpubacc/136/136.pdf>.

¹⁵ See Joseph Rowntree Foundation, *A Review of Benefit Sanctions*, 2010: <http://www.jrf.org.uk/sites/files/jrf/conditional-benefit-systems-full.pdf>.

¹⁶ See Department for Work and Pensions, *Responding to Change in Jobcentres*, 2012: <http://www.publications.parliament.uk/pa/cm201314/cmselect/cmpubacc/136/136.pdf>.

HOW LONG ARE HOMELESS PEOPLE SANCTIONED FOR?

THE MOST COMMON SANCTION FOR HOMELESS PEOPLE WAS FOR FOUR WEEKS

Half of survey respondents reported that half or more of their homeless clients on JSA who were sanctioned received the minimum sanction of four weeks (Figure 5). Another 17 (40%) reported that half or more on JSA were sanctioned for between 1 and 3 months.

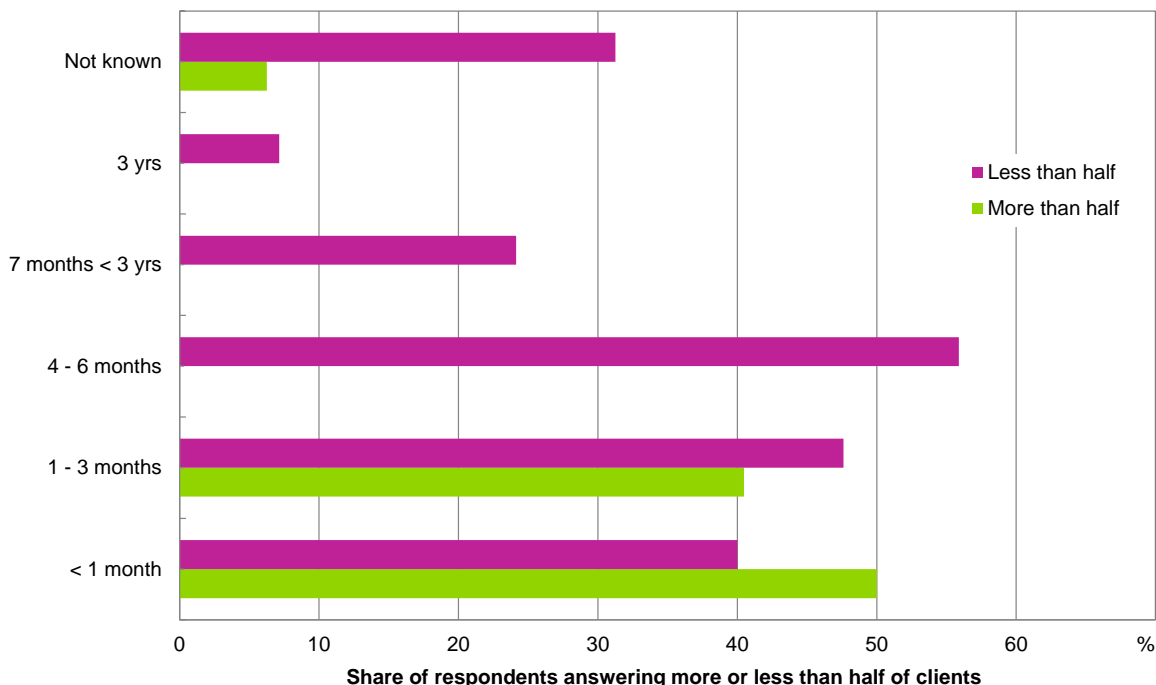
Some organisations reported homeless clients who were sanctioned for longer than 6 months. Seven reported that a few clients had been sanctioned for between 7 months and 3 years, while two organisations had clients in the past three months who had been sanctioned for three years. This is the longest sanction available, and is for claimants who have a third failure on a higher level sanction, suggesting that some homeless people were not changing behaviour after sanctions and receiving subsequent penalties.

Homeless people on ESA also seem to be sanctioned mostly for around one month. 12 organisations (a third) reported that half or more of their homeless clients on ESA who were sanctioned had received a sanction of four weeks, while a further 9 reported that half or more sanctioned ESA clients had been sanctioned for between 1 and 3 months. Three services reported that less than half of their clients on ESA had been sanctioned for 3 years. Four reported that less than half received sanctions lasting between 7 months and 3 years.

According to DWP data, the average length of sanctions for all ESA claimants was seven weeks, for the year to May 2012.¹⁷ There is no current data available for the average duration of JSA sanctions.

Figure 5

How long are homeless people on JSA being sanctioned for?



Source: Homeless Link sanctions survey

¹⁷ Department for Work and Pensions, *ESA Sanctions Official Statistics, August 2012*: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/198741/esa_sanc_aug12.pdf

WHY ARE HOMELESS PEOPLE BEING SANCTIONED?

Sanctions are given when claimants fail to meet certain requirements for receiving their benefits, such as not meeting with their adviser, not participating in training programmes, not seeking work, or refusing to apply for a job.

Whilst many homeless people do comply, for those living in hostels or in temporary or insecure housing it can be difficult to meet requirements, particularly when travel is involved, when they are unwell, or if Jobcentre requirements conflict with their other appointments.

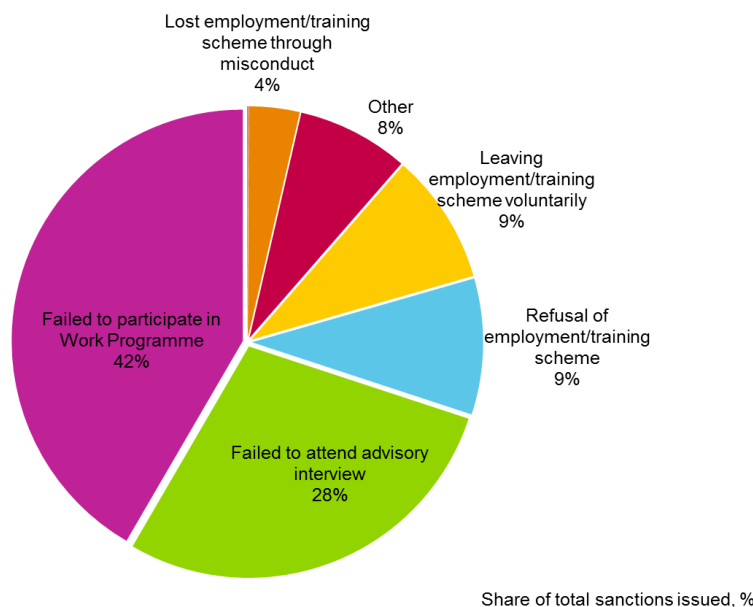
A QUARTER OF JSA CLAIMANTS WERE SANCTIONED FOR NOT ATTENDING AN INTERVIEW AND NEARLY HALF NOT PARTICIPATING IN THE WORK PROGRAMME

Data from DWP shows that over a quarter (28%) of those JSA claimants who received a sanction were sanctioned because they failed to attend an advisory interview (Figure 7).¹⁸ Failure to participate in the Work Programme, however, was the most common reason that claimants were sanctioned, accounting for nearly half (45%) of all sanction cases. Claimants that leave employment voluntarily or refuse an employment/training scheme each account for 9% of the reasons why JSA claimants were sanctioned in the three months to October 2012.

According to data from Citizens Advice, there was a 40% rise in advice queries about JSA sanctions and hardship payments in Q4 2012-13 compared the same period in the previous year.¹⁹ They concluded that the rise in advice was due both to the increase in number of people facing sanctions and the longer duration of sanctions, arising from the new sanctions regime in 2012 and increased referrals to the Work Programme.

Figure 7

Reasons why JSA claimants are sanctioned



Source: Department for Work and Pensions

The latest ESA sanctions data (August 2012) does not provide detail of the reasons for sanctions.

¹⁸ Average over the three months to October 2012.

¹⁹ Citizens Advice (2013), Advice trends January – March 2013 England and Wales
https://www.citizensadvice.org.uk/index/aboutus/publications/advice_trends.htm

HOMELESS PEOPLE WERE MOST COMMONLY SANCTIONED FOR FAILING TO ATTEND A JOBCENTRE PLUS INTERVIEW

30 services reported that failing to attend a Jobcentre Plus interview was one of the most common reasons for their homeless clients on JSA receiving sanctions. This failure attracts a four-week sanction for JSA claimants, which was the most common sanction duration. 22 services reported that this was a common reason amongst homeless clients on ESA. The second most common reason for both JSA and ESA clients to be sanctioned was because they failed to follow the jobseeker's direction, which is a formal instruction of actions for a claimant to follow.

Leaving a job voluntarily or through misconduct was the least common reason why homeless clients on either JSA or ESA were sanctioned. Failure to take up mandatory work activity or a job was the second least common reason why claimants were sanctioned.

Figure 6

Most and least common reasons for sanctions	JSA		ESA	
	2 most common	2 least common	2 most common	2 least common
Failed to attend a Jobcentre Plus interview	30	4	22	8
Failed to follow jobseeker's direction	24	3	9	12
Failed to attend or gave up a place on training scheme	12	8	2	14
Failed to apply for a job	11	11	3	14
Left a job voluntarily or through misconduct	5	26	0	19
Failed to take up mandatory work activity of a job	8	18	2	14

Source: Homeless Link Sanctions Survey

BUT THERE MAY BE GOOD REASONS WHY SOMEONE WHO IS HOMELESS IS UNABLE TO ATTEND THEIR INTERVIEW

Several survey respondents said their clients were sanctioned after missing appointments with Jobcentre Plus because of ill health or hospital appointments. One reported that a client was sanctioned whilst he was in hospital recovering from a heart attack. A homeless man described how he received a sanction despite rearranging his interview in advance so he could take his daughter to a hospital appointment.

Services explained that letters from Jobcentre Plus are sometimes sent to the wrong address, or do not reach the right person in a large hostel, meaning that homeless clients can easily not receive important information that may require them to take action to avoid a sanction. Some homeless clients, particularly those with complex needs or chaotic behaviours, or those with learning or literacy difficulties, may not understand, miss, or misplace advice letters and so not comply with their requirements.

WHAT'S THE IMPACT?

Receiving a sanction will mean that benefit claimants have less money for the duration of their sanction. For JSA claimants who are sanctioned, the total amount of their JSA is stopped during a sanction, currently £71.70 a week or £56.80 for young people under 25. ESA claimants stop receiving all of their basic personal allowance, currently £71.70 a week.

For homeless people, this can lead to real hardship. Many do not have networks of families or friends to whom they can turn for financial support. But, as important, sanctions and their consequences can cause a set-back for vulnerable people who may be dealing with issues like poor mental health or substance use.

One service provider commented: *“we are working with some very vulnerable people at the outset and sanctions take people to another level of vulnerability”*.

We found that:

- **Sanctions are leading to accommodation problems, such as rent or service charge arrears**
- **Some homeless people are ending up in food poverty because of sanctions.**
- **Homeless people often have to borrow money and get into debt when sanctioned, with some committing survival crime.**
- **Sanctions lead to increased anxiety, which can make existing mental health issues worse.**
- **Sanctions do not seem to be helping homeless people into work or motivating them to engage better with Jobcentre Plus.**
- **Many homelessness services are experiencing rent arrears, which can lead to financial difficulties.**

ON HOMELESS PEOPLE

MANY SANCTIONED HOMELESS PEOPLE ARE EXPERIENCING ACCOMMODATION PROBLEMS, SUCH AS RENT ARREARS

Of the 45 services that responded, 44 reported that homeless people were falling into rent arrears and 23 reported that clients had been evicted as a result of sanctions (Figure 8). Sanctions affect only JSA or ESA, so Housing Benefit should still continue during a sanction. Claimants are required, however, to inform their local council – which administers Housing Benefit – that they have been sanctioned, otherwise their Housing Benefit may also be stopped because their circumstances have changed. Our research found substantial confusion amongst homeless people and homelessness services about the rules around Housing Benefit eligibility during a sanction, with many reporting that all their benefits had been stopped when they were sanctioned.

One formerly homeless man described that he was sanctioned shortly after he moved into a flat as a probationary tenant with a housing association. He was unable to apply for a Community Care Grant (now no longer available) because he was sanctioned, and he *“didn’t have a stick of furniture”*. His sanction was overturned when Jobcentre Plus found it had made an error, but during those two months he ran up arrears and received letters seeking possession of his flat. He explained: *“you try to get back on your feet and you’re smacked back down”*.

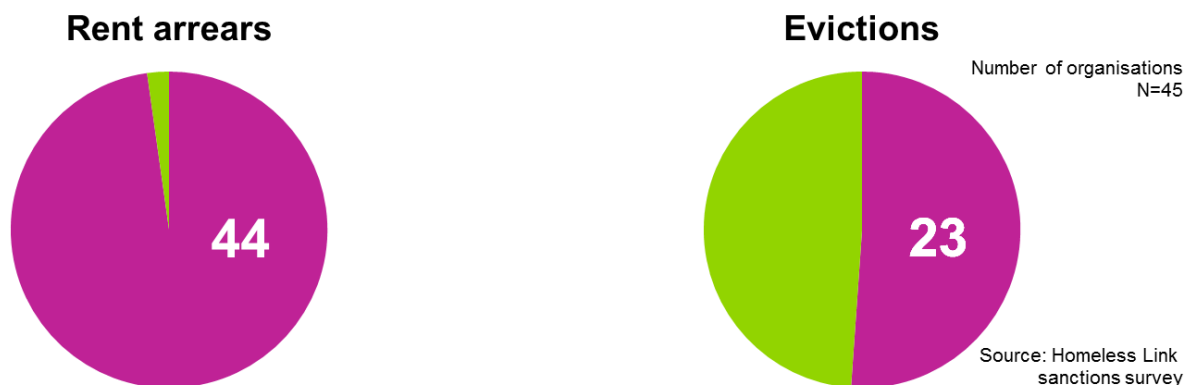
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One service provider commented:

“It would be useful, from the outset, that claimants be made aware of the requirements and the circumstances where they may face a sanction. Many of our residents do not understand fully why they have been sanctioned and have stated that they would of acted differently had they of known the potential consequences of not fulfilling a certain requirement.”

Arrears can also arise because homeless people who are claiming benefits often need to pay more than their Housing Benefit to cover personal service charges at their hostel. Some reported that homeless people now in their own accommodation have difficulty paying utility bills, or putting money on gas or electricity meters, because of their sanction.

Figure 8



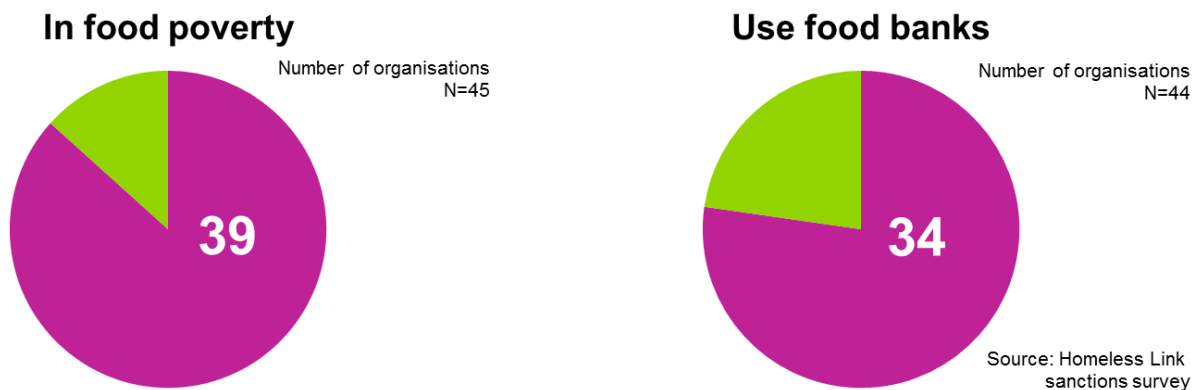
SANCTIONS ARE LEADING SOME HOMELESS PEOPLE INTO FOOD POVERTY

39 of the 45 services reported that their homeless clients were experiencing food poverty (Figure 9). To help meet this need, many sanctioned homeless people are relying on food hand-outs: 34 of the 44 services reported homeless clients using food banks to support themselves. Others described their organisations providing clients with food parcels to meet their immediate needs. Similarly, the Trussell Trust reported in April 2013 that 30% of the nearly 350,000 people using food banks in 2012-13 were referred due to a benefit delay, 15% due to benefit changes (up from 11% in 2011-12) and another 4% who were refused a crisis loan.²⁰

²⁰ Trussell Trust press release, 24 April 2013, *Biggest ever increase in UK foodbank use*

<http://www.trusselltrust.org/resources/documents/Press/BIGGEST-EVER-INCREASE-IN-UK-FOODBANK-USE.pdf>

Figure 9



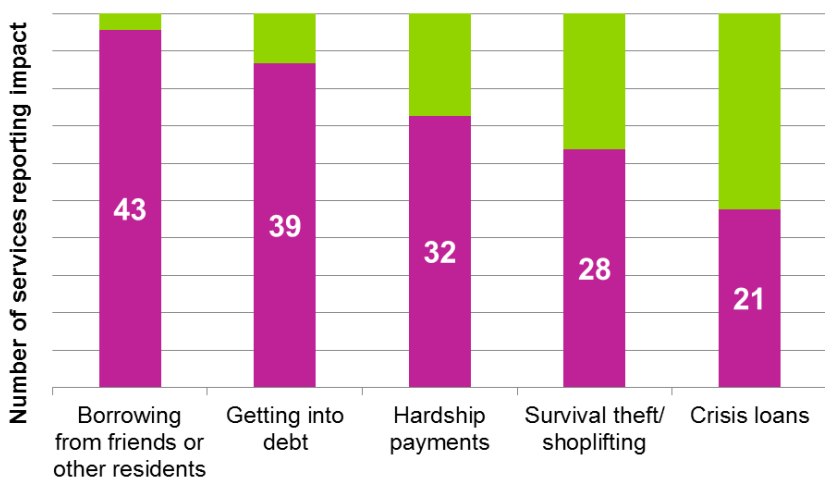
Food banks, however, do not provide a long-term solution, with many limiting support to emergency provision for three days. One support worker described how the local food bank was allowing five to six days' food for people who had been sanctioned, but they were having to ask the homelessness service to limit its referrals as they were already overstretched. One former homeless man added that *“the food bank doesn't put electric on your meter, does it?”*

HOMELESS PEOPLE OFTEN BORROW MONEY DURING A SANCTION, WITH SOME COMMITTING SURVIVAL CRIME

39 of the 45 services reported that homeless people were getting into unmanageable debt as a result of sanctions (Figure 10). Many seem to be borrowing from friends or family in the first instance – 43 of the 44 organisations that responded reported that some clients had done so, and three interviewees described borrowing from a partner, family-member or friend.

Figure 10

Services reporting financial impacts on sanctioned homeless clients



Source: Homeless Link sanctions survey

N=44 or 45

Borrowing money, particularly with little chance of repaying, can lead to increased tension with family and friends. One young homeless man described how his mother asked him to leave home in part because he could not repay the money he borrowed from her after he was sanctioned. Research by DWP supports this: *“Family members and friends were sources of support for sanctioned claimants... This sometimes caused*

*stress and affected family relationships where incomes, including benefits were pooled or where other family members were on benefits or low pay.*²¹

28 of the 45 organisations reported that some clients had shoplifted or committed survival theft as a result of sanctions.

Some financial support may be available from the Government. When people on JSA or ESA are sanctioned, they may be able to apply for a hardship payment – a loan of less than the usual level of benefit that is later repaid. Crisis loans, which were intended to meet emergency need, were no longer available from 1 April 2013, and are now administered independently by local authorities as local welfare assistance schemes with their own eligibility criteria.

32 of the 44 organisations reported that homeless clients had used hardship payments, whilst 21 reported clients using crisis loans. Several homeless people described the difficulties they faced in trying to live off hardship payments whilst sanctioned – one young homeless man received £60 to live off for two weeks, saying it was the hardest thing he had ever done.

For some homeless people, the repayment schedule for hardship payments is a disincentive. Two homeless people described that they preferred borrowing from friends and family than receiving hardship payments because they could repay those over a longer period. A support worker from a homelessness service explained that some of his sanctioned clients would rather shoplift whilst sanctioned than take out a hardship payment.

SANCTIONS INCREASE HOMELESS PEOPLE'S ANXIETY AND MAY EXACERBATE MENTAL HEALTH OR SUBSTANCE USE ISSUES

38 of the 45 organisations reported that clients were experiencing increased anxiety or depression when sanctioned. One homeless person explained that losing benefits results in someone *“starting to lose your self worth”*. In two organisations that responded to the survey, staff described that homeless clients had attempted suicide as a result of receiving a sanction.

Some homeless people described how the instability caused by sanctions can make their substance use issues worse. One said *“losing my benefits brought back that feeling of insecurity and struggling... it brought me back to the behaviours that I was used to in addiction.”* He described how he felt there was an incentive to return to the street when sanctioned as it was easier to access support services there:

“During the time of sanctions I was thinking it would have been a lot easier being on the street for multiple reasons, there was always something happening you were always intoxicated you had services to go into such as drop in centres. It is more difficult to access these services when you have a flat, it is easy when you are on the street.”

SANCTIONS DO NOT SEEM TO BE HELPING HOMELESS PEOPLE BACK INTO WORK OR MOTIVATING THEM TO ENGAGE WITH JOBCENTRE PLUS

8 of the 45 organisations reported that sanctions were motivating their homeless clients to get into employment (Figure 11). One homeless person who had been sanctioned for missing an appointment explained how difficult it was to live without benefit being in payment, so looking for a job was even more challenging with having to pay to travel to interviews or buying suitable clothes. A support worker described that lack of skills made finding employment difficult for some homeless clients, made more difficult by increased anxiety and depression whilst sanctioned.

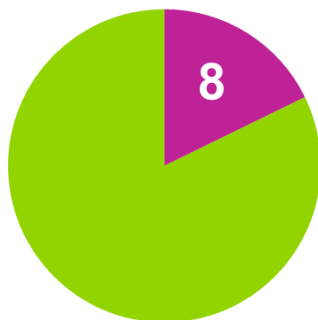
²¹ See Dorset, George and Rolfe, *The Jobseeker's Allowance Skills Conditionality Pilot*, Department for Work and Pensions (2011), pp. 12: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/214549/rrep768.pdf

3 of the 45 organisations reported sanctions were leading homeless people to engage better with Jobcentre Plus.

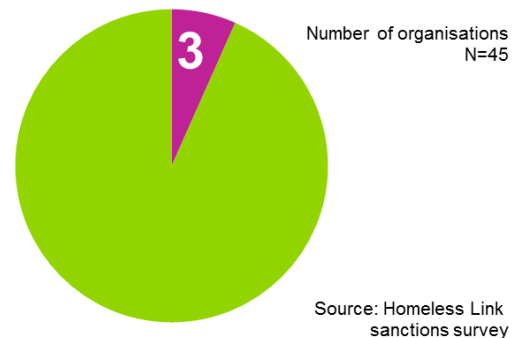
One homeless man described that being sanctioned was “one of [his] worst experiences with the DWP”, while another considered that sanctions were dis-incentivising homeless people to engage with the benefits system or finding work. A service provider responding to the survey commented that “sanctions have increased the gap between [homeless] service users and the job centre; this has subsequently alienated service users from employment”.

Figure 11

Higher motivation for employment



Better engagement with Jobcentre Plus



Several homeless people described the difficulty they had experienced in appealing against sanctions, particularly the length and perceived ambiguity of the process. One described that his appeal took two weeks, but during that time he had reduced benefit income. One support worker explained that much of her time was spent working through appeals with homeless clients, including contacting Jobcentre Plus to find out about the progress of the appeals.

ON HOMELESSNESS SERVICE PROVIDERS

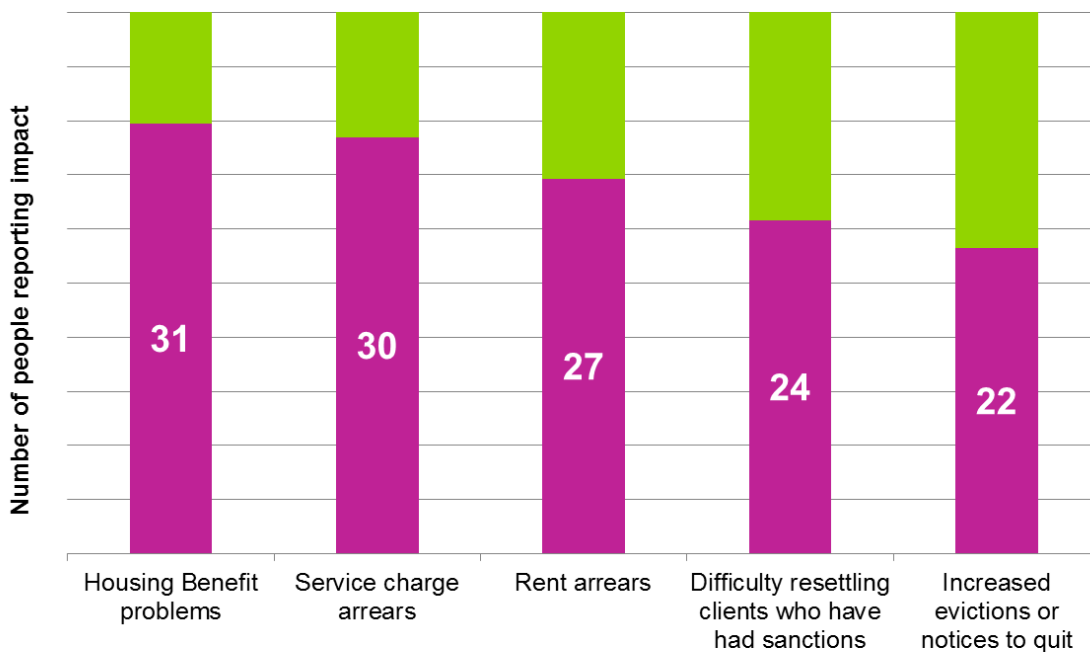
THE MAIN EFFECT OF SANCTIONS ON HOMELESSNESS SERVICE PROVIDERS IS AROUND PAYMENT OF ACCOMMODATION COSTS

31 of the 39 organisations reported that sanctions had resulted in problems for them in receiving Housing Benefit from homeless clients (Figure 12). This may be because claimants need to reapply for Housing Benefit if they have been sanctioned, which may cause delays in payments, or homeless clients may not be aware of needing to do so. There was also a high degree of confusion amongst homeless people about what a sanction was: some confused receiving a sanction with having their benefits removed entirely for some other reason. One service provider explained that:

“Due to the often chaotic presentation of some of our clients I don’t think we have the full picture regarding sanctions, and suspect levels are higher than reported to my staff team. We often are not aware that someone has been sanctioned until their Housing Benefit stops and are then in a position of trying to gather information (backdated) to try and resolve the issue with the client.”

Figure 12

Services reporting impacts on organisations



Source: Homeless Link sanctions survey

N=45

The second most common impact on homelessness service providers was service charge arrears, with 30 of the 39 reporting this impact. People using homelessness accommodation services are often required to pay charges on top of that covered by Housing Benefit to cover, for example, cleaning of communal areas, utilities or night concierge services. These charges are paid out of homeless people’s other income, and so are at risk of arrears when an individual is sanctioned. One service provider, which aimed to help homeless people get housing, said they were *“finding it very difficult to find accommodation for anyone on a sanction as they cannot pay service charges or rent top-ups”*.

22 of the 39 organisations reported that they had increased evictions or notices to quit, suggesting that homeless people who are sanctioned are at greater risk of losing their accommodation. 27 organisations reported that sanctions are leading to an increase in rent arrears as, even when Housing Benefit continues to be paid, it will not always cover the full rent so homeless people may need to spend additional income on meeting their rent. One service provider explained that *“we are not evicting people who have been sanctioned and who are accumulating service charge or ‘top up’ arrears. This may change. The sanctions regime is affecting our organisational income as well as the residents individual income”*.

Support workers described how increasing sanctions amongst their homeless clients have led to higher workloads, such as contacting Jobcentre Plus to help clients avoid sanctions, and supporting clients through appeals. Others described spending more time coordinating food parcels for clients, and some had taken more volunteers on to support their workloads. With more time spent managing sanctions and appeals, staff explained that there was less capacity available to support clients in their journey to independent living.

CONCLUSIONS

Conditionality in the benefits system requires claimants to undertake certain action in return for their benefit payment and, for jobseekers, these actions are related to increasing the chances the claimant will find work. Sanctions are the penalty for non-compliance with conditionality, and are intended to increase compliance through a deterrent effect. Our research, however, has shown that sanctions are not motivating homeless people back into work but, by putting them in severe hardship are resulting in further disengaging them from the workplace.

If they are receiving benefits, like all claimants homeless people have a responsibility to try to find work. But for some, especially those with complex needs, meeting these requirements is a huge challenge, shown by the disproportionate number of homeless people who are sanctioned. Many people who are homeless need additional support in being able to find work and in understanding the conditions that are attached to receiving benefits.

Sanctions are having a profoundly negative impact on homeless people. With no income, people have no money for food, are falling into rent arrears, and getting into unmanageable debt. Some are committing survival theft or shoplifting to meet their immediate needs, or causing relationship problems as they borrow from friends or family. Even when hardship payments are given, homeless people are struggling to make ends meet.

For people who are trying to make a new start away from homelessness, for example moving into their own flat, sanctions bring even more problems. Homeless people often have no safety net of friends or family to support them if their only income source is stopped, leaving them without the means to live. Some may risk eviction if they cannot pay their rent, or go without electricity if they have no money for their metre. Sanctions represent another barrier they face in rebuilding an independent life. And the anxiety caused by having no money because of a sanction can risk vulnerable people moving back into drug or alcohol use, or exacerbate existing mental health problems.

There is also confusion around the sanctions regime and how the appeals system works. Appealing sanctions is seen to be a long and complicated process, and the outcome of decisions lacking transparency. Chasing up progress on a client's sanction appeal, or advocating with Jobcentre Plus, takes up valuable staff time and puts pressure on existing heavy workloads. At the same time, homelessness services are losing money through rent arrears when sanctioned clients cannot afford to pay. In a sector with increasing funding pressures, reducing staff and more clients with complex needs, sanctions are an added burden.

Our research has shown the personal cost of sanctions on homeless people – without achieving the intended policy of motivating them to find work. We have set out recommendations for Government and for homelessness services to address this issue before it escalates to impact on more vulnerable people.

RECOMMENDATIONS

Homeless Link supports a vision for a welfare system that ensures there is a safety net for the most vulnerable and excluded in our communities. Such a system needs to:

- Prevent homelessness
- Support recovery from homelessness
- Not disadvantage or exclude vulnerable people
- Work with a range of statutory and non-statutory agencies so that essential support is available when needed, for as long as it is needed.

The Department for Work and Pensions should:

1. Ensure benefit conditionality is appropriate to individuals' needs and realistically reflects their ability to meet these. In developing or reviewing policy on benefit conditionality – including the claimant commitment – we urge DWP to better take into account the difficulties faced by homeless people with complex needs, such as mental health, substance use, literacy or learning difficulties, in complying with benefit requirements. Guidance should make provision for exemptions or special terms for vulnerable homeless people who need more support in complying with requirements.
2. Ensure there is clearer, consistent information provided to Jobcentre Plus and homeless claimants about what the sanctions process involves, including the implications for existing Housing Benefit claims and the appeals process. This would help prevent confusion over sanctions and stop eligible people losing Housing Benefit to which they are entitled even when sanctioned for other benefits.
3. Work with Jobcentre Plus and local homelessness services to improve personal advisors' understanding of homelessness and the difficulties homeless people may face in complying with benefits conditions. This should include specific training on homelessness and more clarity for advisors about when to make allowances for homeless claimants' personal circumstances that may lead to them becoming sanctioned. DWP Partnership managers are well placed to support this work.
4. Provide more detailed data about the characteristics of claimants who are sanctioned, the duration of sanctions and the reasons for sanctions. More transparent data should inform any future development of this policy by the Department for Work and Pensions, and would allow services supporting homeless and other vulnerable people to be better able to identify and respond to the impact of sanctions on their client groups.

Jobcentre Plus should:

5. Build and extend their links with local homelessness agencies so they can offer information to homeless claimants and staff in homelessness services about the sanctions regime and advice about remaining compliant. Jobcentre Plus District Managers can play a key role to support this work.
6. Make clearer to homeless claimants the consequences of not complying, including what a benefit sanction entails. This should involve verbal explanations with those clients who struggle to read or understand written letters, or awareness or training sessions with homelessness services to support them in helping clients understand what a sanction entails and what is expected to remain compliant.
7. Set expectations for how long the appeals process should take, or set time-limits, so that sanctioned claimants are not penalised for an unreasonable length of time whilst their appeal is considered. At a minimum, it should publicise the stages involved in appeals and likely durations so that project workers supporting homeless and other vulnerable people can better keep track of clients' appeals.

8. Raise awareness with homeless claimants and homelessness services about eligibility, and how to apply, for hardship payments. Hardship payments are now available for both JSA and ESA claimants who are sanctioned.

Homelessness service providers should:

9. Encourage and support homeless people to notify Jobcentre Plus of any issues they have, such as mental health problems or learning difficulties, which could make it more difficult for them to comply with regulations. It is important that Jobcentre Plus is aware of claimants' issues so that they can support them more effectively.
10. Make clear to homeless people using their services the importance of complying with requirements from Jobcentre Plus and the consequences of receiving a sanction.
11. Keep their staff informed of welfare and benefits issues, such as hardship payments, appeals and Housing Benefit eligibility, so that they can support homeless people effectively and with accurate advice. They should build strong relationships with local jobcentres to help them keep up to date and to ensure there is a greater shared understanding of homelessness.

As the national membership organisation for agencies working with people who are homeless in England, Homeless Link will continue to monitor the application and impact of sanctions and advocate for improvements to ensure homeless people are not disproportionately affected. Homeless Link is developing new guidance in response to these findings as part of its series of welfare resources for staff and clients

www.homeless.org.uk/welfare-aware

APPENDIX: SURVEY RESPONSES

Of the clients that have used your service in the past 3 months, what proportion were claiming the following benefits?

	Minimum	Maximum	Average	Sample size
JSA	0	100	49	48
ESA	0	91	43	48

Of the clients that were claiming these benefits, what proportion have been sanctioned?

	Minimum	Maximum	Average	Sample size
JSA	0	100	31	46
ESA	0	90	18	46

Have you noticed a change in the proportion of clients who have been sanctioned since the new regulations came in last year? (22 October 2012 for JSA, 3 December 2012 for ESA)

	Increased	Decreased	Unchanged	N/A	Sample size
JSA	44	1	6	1	52
ESA	34	1	15	2	52

In your own project, what proportion from the following client groups have had their benefits sanctioned in the past 3 months?

JSA	None	Less than half	Half	More than half	All	Don't see group	Respondents	Respondents that see group
Young people (<25)	4	15	10	11	5	5	50	45
Older people (>50)	11	17	3	4	2	8	45	37
CEE migrants	14	7	1	3	1	15	41	26
Other migrants	12	8	0	4	0	19	43	24
People with mental health issues	9	20	6	8	1	4	48	44
People with substance misuse issues	7	19	7	11	2	3	49	46
People with learning difficulties	8	17	6	6	0	11	48	37

ESA	None	Less than half	Half	More than half	All	Don't see group	Respondents	Respondents that see group
Young people (<25)	12	18	3	5	2	6	46	40
Older people (>50)	12	13	4	2	2	8	41	33
CEE migrants	14	7	1	1	1	16	40	24
Other migrants	11	7	1	2	0	18	39	21

People with mental health issues	13	14	2	10	1	3	43	40
People with substance misuse issues	13	17	2	9	2	3	46	43
People with learning difficulties	13	12	1	6	0	9	41	32

Clients groups being sanctioned, as share of respondents that see client group:

%	JSA	ESA
Young people (<25)	57.8	25.0
Older people (>50)	24.3	24.2
CEE migrants	19.2	12.5
Other migrants	16.7	14.3
People with mental health issues	34.1	32.5
People with substance misuse issues	43.5	30.2
People with learning difficulties	32.4	21.9

To the best of your knowledge, what proportion of those clients who have been sanctioned in the past 3 months were sanctioned for the following durations?

JSA	None	Less than half	Half	More than half	All	Respondents
< 1 month	4	16	6	9	5	40
1 - 3 months	5	20	7	7	3	42
4 - 6 months	15	19	0	0	0	34
7 months < 3 yrs	22	7	0	0	0	29
3 yrs	26	2	0	0	0	28
Not known	10	5	0	1	0	16

ESA	None	Less than half	Half	More than half	All	Respondents
< 1 month	11	12	2	8	2	35
1 - 3 months	13	19	3	2	4	41
4 - 6 months	21	9	0	0	0	30
7 months < 3 yrs	25	4	0	0	0	29
3 yrs	25	3	0	0	0	28
Not known	15	3	0	1	0	19

Length of sanctions on JSA, as share of respondents:

JSA (%)	None	Less than half	More than half
< 1 month	10	40	50
1 - 3 months	12	48	40
4 - 6 months	44	56	0

7 months < 3 yrs	76	24	0
3 yrs	93	7	0
Not known	63	31	6

ESA (%)	None	Less than half	More than half
< 1 month	31	34	34
1 - 3 months	32	46	22
4 - 6 months	70	30	0
7 months < 3 yrs	86	14	0
3 yrs	89	11	0
Not known	79	16	5

What is the longest time that a client has been sanctioned for?

	Minimum	Maximum	Average	Mode	Median	Sample size
JSA	3	156	18	12	12	36
ESA	0	33	9	0	6	34

What are the most common reasons for clients to be sanctioned? Rank the following in order, with 1 being the most common and 6 the least common.

JSA (number of respondents)	Ranking Most common to least common						Sample size	2 most common	2 least common
	1	2	3	4	5	6			
Failed to attend a Job Centre Plus interview	26	4	4	2	0	4	40	30	4
Failed to follow jobseeker's direction	13	11	11	4	1	2	42	24	3
Failed to attend or gave up a place on training scheme	5	7	10	7	4	4	37	12	8
Failed to apply for a job	4	7	7	7	4	7	36	11	11
Left a job voluntarily or through misconduct	1	4	2	2	6	20	35	5	26
Failed to take up mandatory work activity of a job	4	4	2	6	8	10	34	8	18

ESA (number of respondents)	Ranking Most common to least common						Sample size	2 most common	2 least common
	1	2	3	4	5	6			
Failed to attend a Job Centre Plus interview	18	4	0	0	0	8	30	22	8
Failed to follow jobseeker's direction	4	5	2	3	0	12	26	9	12
Failed to attend or gave up a place on training scheme	1	1	3	5	4	10	24	2	14

Failed to apply for a job	0	3	1	4	1	13	22	3	14
Left a job voluntarily or through misconduct	0	0	2	1	2	17	22	0	19
Failed to take up mandatory work activity of a job	0	2	4	1	2	12	21	2	14

Have any of your clients who were sanctioned been affected by the following?

	Number of respondents
Food poverty	39
Rent arrears	44
Better engagement with Jobcentre Plus	3
Evictions	23
Increased anxiety or depression	38
Higher motivation for getting into employment	8
Survival theft/ shoplifting	28
Getting into debt	39

N = 45

Have any of your clients who were sanctioned used any of the following to support themselves whilst being sanctioned?

	Number of respondents
Food banks	34
Crisis loans	21
Hardship payments	32
Borrowing from friends or other residents	43

N = 44

Is your organisation being affected in any of the following ways because of benefit sanctions?

	Number of respondents
Rent arrears	27
Housing Benefit problems	31
Service charge arrears	30
Increased evictions or notices to quit	22
Difficulty resettling clients who have had sanctions	24

N = 39