



HOMELESS LINK RESPONSE TO SSAC CONSULTATION : THE JOBSEEKER'S ALLOWANCE (MANDATORY WORK ACTIVITY) REGULATIONS

Homeless Link is the national umbrella organisation for frontline homelessness charities in England. Currently we have more than 470 member organisations. Our members include hostels, day centres, outreach and resettlement agencies, housing advice centres, youth projects, health projects, welfare rights groups, regional homelessness networks, refuges, drug and alcohol services and faith run voluntary services. As the collaborative hub for information and debate on homelessness, we seek to improve services for homeless people and to advocate for policy change. Through this work, we aim to end homelessness in England.

Homeless Link represents the perspective of homelessness service providers and homeless people. Our response to this consultation is limited as the short time scale has not made it possible for us to consult with our members on the specific issues raised.

SUMMARY OF POINTS

- Homeless Link supports a personalised approach to helping homeless people into employment but does not agree that mandatory work activity should be part of the menu of options
- The proposals give a lot of discretion to Jobcentre plus advisers. Homeless Link has concerns about the adequacy of their training and their skills in relation to dealing with complex needs.
- There is not adequate means of redress built into the regulations for claimants
- Mandatory work activity is unlikely to be viewed as a supportive intervention
- International evidence does not support mandatory work activity as a route into sustained employment
- Homeless people, although claimants of JSA, can be a long way from the job market due to the multiple barriers they face.
- The sanctions proposed could lead to destitution and a group of people living outside the welfare system
- A holistic approach, addressing skills, confidence and motivation is likely to be more effective in returning homeless people to the job market

HOMELESS LINK SUPPORTS PROGRAMMES HELPING HOMELESS PEOPLE ENTER EMPLOYMENT

Homeless Link recognises that work is generally good for people, helps to re-gain self esteem and improve health and well being, as well as being a contribution to society. Our manifesto on ending homelessness sees opportunities for employment learning and skills as central to the change needed for homeless people, but also emphasises that a non standard approach is needed to make a success of getting homeless people into work. 'While some homeless people have previously held responsible jobs, many homeless people have few, or no, qualifications.

Programmes to help homeless people move from benefits to work need a tailored approach. This should takes account of their skills, interests, circumstances and needs. There must be a fresh approach, engaging and helping people furthest from the labour market.’¹

Homeless Link would support an approach that helps people to address the individual challenges they face in getting into work, that personalises support and that focuses on outcomes for people. However the approach that is being taken of increasing sanctions and introducing more mandatory work activity is very questionable in relation to the client group we are concerned with, who in the main face multiple barriers to a return to work.

MANDATORY WORK ACTIVITY – OUR CONCERNS

ADVISERS DISCRETION

Our understanding of the proposal is that claimants maybe referred to mandatory work activity at any stage in their claim if they are seen by advisers ‘to fail to demonstrate the focus and discipline required to find secure and retain employment’ while nevertheless meeting the conditions of their claim.

The paper states that Jobcentre plus advisers will have the discretion to select mandatory work activity from a ‘menu of support ‘ and that detailed criteria around the circumstances in which referral can be made will not be in the regulations but will be the job of advisers to decide when it is appropriate.. We have concerns about the adequacy of training and the level of experience of Jobcentre plus advisers about the issues that impact on people that experience multiple and complex needs. Without additional training and support we have doubts about the ability of advisers to undertake appropriate and informed assessments. Any training would need to ensure Jobcentre plus advisers gain a full understanding of the impact of ongoing mental health problems, behavioural problems, substance misuse, poor social networks and living in concentrations of worklessness, poor housing and limited local job opportunities. All those issues are likely to mean people present as dispirited and unmotivated in their job search which could be interpreted as lacking focus and discipline.

A similar level of discretion is granted to advisers to decide on whether a claimant had good cause to fail to participate in a mandatory work activity, to refuse a place or fail to attend or to lose a place due to misconduct. It has been decided not to include lists of circumstances constituting good cause in the regulations and only to specify that a person’s mental health should be taken into account. The adviser then has the power to impose punitive sanctions if good cause for the failure is not found. There is no indication that Jobcentre plus advisers will get specific training in mental health issues, only that they will be issued with guidance.

The experience of the work capability assessment does not lead to any confidence in the level of understanding of mental health issues in the operation of decision making processes with regard to benefit claimants.

‘The review found that broadly the WCA is mechanistic, impersonal and lacks empathy. Particular issues have been raised about the assessor’s lack of knowledge and understanding of mental health conditions. This is of particular concern as 37 %

¹ Homeless Link Manifesto Ending homelessness together
<http://www.homeless.org.uk/manifesto>

of people undergoing the assessment have a primary diagnosis of mental health and a significant number with other conditions also have a secondary diagnosis of mental health problems.'

The flexibility and discretion is to be supported by a new performance framework holding Jobcentre plus advisers to account for the rate at which people flow off benefits and into work. This will impose pressures on staff to use all the measures at their disposal to move clients off benefits and into work without ensuring a realistic assessment of their readiness for work.

REDRESS AND APPEAL

It is not clear in the regulations what redress the client has, either to appeal against a decision on mandatory work activity or on sanctions being imposed for not taking up the activity or losing a place through misconduct. In a situation where a client is sent on a mandatory work placement where the environment is not supported, where supervision is inadequate and tasks are not meaningful or productive it is important that there is a clear independent complaints procedure.

HOMELESS CLAIMANTS ON JOB SEEKERS ALLOWANCE

We do not have an accurate number of people living in hostels and supported accommodation for homeless people in receipt of JSA but our estimate is that it is between 40 % and 75 %.. One of our concerns is that many people claiming JSA, although available for and seeking work, are a long distance from the job market.

Many who are homeless have experience of prison or young offenders' institutes; others may have grown up in care or are former service men and women. These issues, experiences and histories are common among St Mungo's clients: 68% have issues with drugs or alcohol or both; two thirds suffer from physical health conditions; more than two thirds have a history of mental illness, while 43% are ex-offenders. The vast majority face multiple barriers to attaining employment, accessing education and training, and achieving their aspirations and ambitions.²

Business Action on Homelessness estimate that out of some 125,000 homeless people in the UK, only 20,000 could be considered actually ready to work.³ There has been a move recently to take people off long term incapacity benefits and move them onto JSA. The review of the Work Capability Assessment shows that this clearly represents a major shift in the threshold for receiving benefit on the grounds of unfitness for work. In the group making claims from Jan 2009 to Feb 2010 of those that complete the claim process 65% are found fit for work.⁴ These decisions have not been well accepted by those who are not entitled to ESA, with an appeal rate of 60 per cent among the Fit for Work (FFW) group. Being found FFW appeared to have little bearing on an individual's own understanding of their health condition and its impact on their ability to work. When asked about barriers to work, a large proportion of the FFW Group, 46 per cent, identified their health as a main barrier.⁵

² Work matters St Mungo's June 2010

³ Centre for Social and Economic Inclusion Access to mainstream public services for homeless people. A literature review (Crisis 2005)

⁴ An independent review of the Work Capability Assessment Harrington M 2010

⁵ Department for Work and Pensions Research Report No 707
Employment and Support Allowance: Findings from a
face-to-face survey of customers <http://research.dwp.gov.uk/asd/asd5/rports2009-2010/rrep707.pdf>

The view that people are being moved onto JSA who are a long way from being job ready and who are experiencing continuing health and substance dependence problems has been confirmed by many of the responses that Homeless Link received to a recent survey.

'Most clients are being taken off ESA and being put on JSA..... Many have been through the care system, have had little or no education, no stability and have suffered abuse of some sort, which, are not easily remedied.'

'Many of the clients on JSA need supported to maintain their claim and have been forced to claim JSA for not meeting the ESA requirements.'

'Difficulties in ESA medicals are forcing more people onto JSA, Many of them are a long way from the labour market and are only on JSA because they are failed to meet the new conditions/medicals etc expected for ESA. '

It concerns me the amount of clients being taken off of incapacity benefit and put onto JSA without much concern from the DWP about the client's mental health.

Behind the mandatory work proposal is the idea that if people tried harder and were more motivated they would find employment. This group could come across to Jobcentre plus advisers as lacking in focus and discipline, needing to learn time keeping skills and to follow instructions and how to work in teams. It is our experience that these difficulties are usually indicators of deeper problems that would benefit from a different approach.

MANDATORY WORK ACTIVITY AS A FORM OF SUPPORT

Mandatory work activity is described as a support for claimants to move them closer to sustained employment. Homeless Link believes that the compulsory nature of mandatory work activity will mean that it may not be perceived as supportive.. One of the key findings of the research Business Action on Homelessness carried out on barriers to employment for homeless people⁶ was that the voluntary nature of work placements had a powerful effect on clients.

Experiencing the workplace is often powerful for BAOH clients who are on placements, mainly because they know they are there because they want to be. They also valued the fact that others were there for similar reasons. This compared very favourably to experiences that people had on course where people were forced to attend.

Another of their key findings is that a poor experience of moving into work is likely to make people more nervous of trying again. If people have been out of work for sometime and their first experience of the world of work is compulsory work for no financial gain, with peers who are in the same situation, it may be more likely to breed resentment and a low level of trust and respect for authorities than an approach likely to foster a move into sustained employment.

EFFECTIVENESS OF MANDATORY WORK ACTIVITY

The stated aim of introducing mandatory work activity is to encourage the development of the discipline associated with full time employment and to encourage claimants not to under-estimate the conditionality requirements attached to Job

⁶ Work it out: barriers to employment for homeless people. NEF BAOH Summer 2008

Seekers Allowance. The explanatory memorandum states that international evidence on the effectiveness of mandatory work activity is mixed. It has shown to be effective in reducing welfare case loads, but with the caveat that it is hard to separate the impact of intensive job search requirements and the deterrent effects of workfare on claiming from the impact of the workfare schemes in increasing employability. In relation to improving employment outcomes the summary of the comparative review cited in the paper⁷ states

- There is little evidence that workfare increases the likelihood of finding work. It can even reduce employment chances by limiting the time available for job search and by failing to provide the skills and experience valued by employers.
- Subsidised ('transitional') job schemes that pay a wage can be more effective in raising employment levels than 'work for benefit' programmes.
- Workfare is least effective in getting people into jobs in weak labour markets where unemployment is high.
- Levels of non-participation in mandatory activities are high in some workfare programmes.
- Workfare is least effective for individuals with multiple barriers to work.
- Welfare recipients with multiple barriers often find it difficult to meet obligations to take part in unpaid work. This can lead to sanctions and, in the most extreme cases, the complete withdrawal of benefits that leaves some individuals with no work and no income.
- Some states in the US have scaled down large-scale, universal workfare programmes in preference for 'softer' and more flexible models that offer greater support to those with the most barriers to work. This includes a greater reliance on subsidised jobs that pay wages rather than benefits to participants.

This review of the evidence does not appear to provide a strong case for a mandatory work activity programme for any claimants.

EFFECTIVENESS OF SANCTIONS

Sanctions for failure to participate in a mandatory work activity or any part of that activity or to lose a place through misconduct are built into the system. They include 13 weeks removal of JSA for a first act or omission, 26 weeks for a second transgression and 156 weeks for a third transgression. Joseph Rowntree have pulled together recent international evidence on the effectiveness of sanctions.⁸ Their findings suggest:

- Consistent evidence on the short term effects of sanctions moving people off unemployment benefit and into jobs
- Sanctions can result in poorer quality employment lower earnings and job instability
- One study suggests detrimental impact on local crime rates
- Claimants have low level of awareness of sanctions , how they can be imposed and how reversed
- Administration of sanctions is not rational or equitable

⁷ <http://campaigns.dwp.gov.uk/asd/asd5/rports2007-2008/rrep533.pdf>

| A comparative review of workfare programmes in the United States, Canada and Australia, Richard Crisp

⁸ Sanctions within conditional benefit systems – A review of evidence Griggs and Evans Joseph Rowntree Foundation Dec 2010

- The most vulnerable are the most disadvantaged
- Transgressions are often a result of non-intentional behaviour
- Hardship commonly reported by sanctioned claimants, including having utilities disconnected and food hardship.

The evidence suggests sanctions have little to do with changing behaviour in practice and do not operate in people's best interests in the long term. Homeless Link believe that the type of sanctions proposed will cause real hardship and could lead to destitution and a group of people surviving outside the welfare state and dependent on family and friends and on begging to survive.

ALTERNATIVE FORMS OF SUPPORT

The letter from the DWP to SSAC states that the approach to the new Work Programme is being built around the principle of trusting the professionals. Homeless Link believe it is important to listen to the voice of those professionals that have built up experience of working with homeless people with complex needs who consider that the approach they need to the journey back to work is an incremental one that builds their confidence and skills not one that could be interpreted as punishing them for being a work force failure.

*'Assuring someone who has been homeless or slept rough that they can be the author of their own life, building self esteem and self confidence, and developing soft-skills are all vital components of an effective welfare-to-work strategy. In this respect, agencies emphasise the importance of a holistic and ongoing support framework for people who have complex and multiple needs. A holistic approach, therefore, would not just tackle a lack of functional skills like literacy and numeracy, and offer the back-to-work support likely to be needed by people fairly close to the labour market. It would aim to address issues of low self-confidence, strengthen self-respect and foster aspiration and ambition, as well as building life skills.'*⁹

This type of approach is backed up by IPPR in their report on welfare to work.¹⁰ *'Our findings show that an incremental human capital development approach (supporting people back into work, a model which emphasises building education, training and confidence) can be more effective than a 'work-first' approach for some individuals. The Work Programme promotes a work-first approach by paying employment providers only when they place someone in work. This raises concerns as to how the Work Programme will genuinely support job seekers with a diverse range of needs and requirements.'*

Homeless Link also believes that entering employment should not be the only measure of success. For some people with multiple difficulties in their lives sustaining a tenancy, staying off alcohol and/or drugs and moving away from crime are huge steps that should be applauded and they should not have to face immediate pressures to seek and sustain employment.

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⁹ Work matters St Mungo's 2010

¹⁰ Now It's Personal? The new landscape of welfare-to-work Edited by Clare McNeil September 2010