



Zacchaeus 2000

**Z2K Submission
to the Work and Pensions Select Committee
Inquiry into 'Role of Jobcentre Plus in the reformed Welfare
system'**

May 2013

Sam Ashton
Campaigns Officer
Zacchaeus 2000 Trust (Z2K)
Registered Charity Number 1110841
34 Grosvenor Gardens London SW1W 0DH
Tel: 020 7259 0801 Email: Samashton@z2k.org
www.z2k.org/

Introduction

1. The Zacchaeus 2000 Trust (Z2K) is a London-wide anti-poverty charity that promotes the improvement of living conditions on the basis of economic and social justice through the provision of evidence-based policy alternatives to government, and by direct engagement with the lives of the poorest and most vulnerable.
2. Z2K provides a generalist advice and casework service offering in-depth and long term support for people struggling on low incomes. This service primarily focuses on those facing debt as a result of: over and under-payments of benefits; benefit sanctions; unmanageable debt repayment arrangements; bailiffs; utility bills; Council Tax liabilities; rent arrears; and most other debt-related matters. Z2K also offers support in the form of non-legal representation at Tribunals, County Courts and Magistrates, and supports and trains other organisations to do the same.
3. As such we have extensive experience of supporting vulnerable benefit claimants who interact with Job Centre Plus (JCP) on a regular basis. It is on the basis of this experience that this submission has been produced.

Executive Summary

4. The experience of Z2K's client of sanctions suggest that poor administration and other issues are undermining the effectiveness of the system and placing vulnerable claimants at risk.
5. We are also concerned that JCP staff are issuing unreasonable directions which cannot be fulfilled by a claimant or act to undermine their ability to find employment.
6. Finally we are worried that JCP staff are not prepared to properly support claimants affected by the Benefit Cap that they have not previously seen.

Benefit Conditionality and the Role of Sanctions

7. While Z2K supports the concept of a benefits system of rights balanced by responsibilities we remain sceptical of the effectiveness of promoting positive employment outcomes through work-related conditions backed by financial sanctions, particularly in the case of vulnerable claimants.
8. The evidence available to support the efficacy of sanctions is far from conclusive. For example a Joseph Rowntree Foundation review¹ of the evidence available found that research was limited. What research there is shows that while there were some savings made from getting people off benefits those that found employment had an increased likelihood of low wages and high job churn.

¹ <http://www.jrf.org.uk/sites/files/jrf/conditional-benefit-systems-full.pdf>

9. However while the current system is in place it is in the interests of all concerned that it functions properly in a transparent manner. It is necessary for the system to be fully understood by all benefits claimants if it is to properly act as both a deterrent and a means to improve the behaviour of those who fail to meet their conditions.
10. Unfortunately we are not able to properly assess the new sanctions regime that has been in place since October as the Department for Work and Pensions (DWP) has delayed the publication of its statistics. If the increased minimum length of sanctions were acting as a deterrent as intended you would expect to see a decrease in the number of claimants sanctioned overall as well as the numbers sanctioned multiple times. However the leaked 'score chart' published in the Guardian² in March implied that there had been a large rise in the rate of sanctions per month in December and January.
11. The reason for this could be that in our experience sanctions are often poorly administered. Our clients routinely report being given no prior warning of a sanction threat and no explanation of its cause. If a claimant does not know why they were sanctioned or were not capable of meeting the condition placed upon them in the first place then this renders the sanction ineffective.
12. It is a regular occurrence that the DWP letter notifying the claimant arrives sometime after the sanction has already been made and gives a generic explanation without detailing the specific reason for the sanction. This means that claimants often fail to connect their specific action or failure to act with their loss of benefit, undermining the intended aim of the sanction.
13. Sanctions are often levied as a result of simple administrative error. For example one of our clients was sanctioned for not attending a JCP meeting because he was busy attending a course the JCP had sent him on. He successfully appealed this sanction with our support but this waste of time and resources could've been avoided if his JCP advisor had raised the issue with him prior to sanctioning.
14. In cases of vulnerable claimants such administrative errors can have devastating consequences. A 19 year old client of ours, who was pregnant at the time, was sanctioned for two weeks last August without explanation. Despite the fact she was obviously pregnant, JCP officials told her and her youth support worker that they were unable to arrange a crisis loan for at least three days. As such a single pregnant mother would have been left without money for food and electricity for three days if we had not been able to support her.
15. From the range of client's experience of sanctions we can thus identify the following reoccurring problems:
 - Lack of proper explanation of conditions by JCP adviser leading to claimant lack of understanding of requirements and consequences;
 - Sanctions resulting from unexplained administrative errors;

² <http://www.guardian.co.uk/society/2013/mar/28/jobcentre-scorecard-areas-stopping-benefits>

- Poor speed and efficiency of administration;
- Negative impact of hardship resulting from sanctions impacting on vulnerable claimants.

16. From our experience it is hard to see how a sanctions system functioning like this can deliver increased compliance and positive employment outcomes.

Unreasonable Directions and the Wednesbury Principles

17. Another problem we have observed from our casework is the issuing of unreasonable directions which cannot be fulfilled by a claimant or act to undermine their ability to find employment. The following case study illustrates this well.

18. ‘Dr Kay’, a client of ours, was instructed, without explanation, to begin daily signing. This was despite the fact that his JCP advisor had told him that they had no vacancies suitable for him, nor practical suggestions appropriate to his job search. Whilst daily signing has sometimes been reported as a requirement for homeless, young or long-term unemployed claimants Dr Kay was a well-qualified middle aged man who had only been claiming JSA for a matter of months.

19. This was not only an irrational direction but one which effectively undermined Dr Kay’s daily search for work, since many key contacts for him were with staff at academic institutions who could only be contacted during lunch-times. After notice of an appeal was served at the JCP they hastily withdrew this direction while failing to provide a proper explanation for it.

20. This case, and other similar ones, is of importance because it demonstrates that JCP staff regularly make unreasonable decisions, unlawful following the *Wednesbury* principles. During the passage of the Welfare Reform Bill Z2K organised a seminar at which we explained the need for JCP officials to apply the *Wednesbury* principles when making all their decisions, particularly about sanctions. There is of course nothing new about these principles as they are the heart of all administrative law yet officials have often never heard of them. Following the seminar Lord Freud said the following in the House of Lords³:

21. *“We spoke about the Wednesbury principles at our seminar, and I can reassure noble Lords that the decision-making process is and will continue to be consistent with these fundamental principles of public law... Decision-makers clearly have a general duty under public law to make decisions in accordance with the Wednesbury principles, to consider relevant matters raised by a claimant and to explain their decision to claimants. Our training and guidance is designed to ensure that decision-makers adhere to these duties.”*

22. It would be interesting to discover therefore whether the *Wednesbury* principles are included in JCP staff training and if so why they are flouted with alarming regularity.

³ <http://www.publications.parliament.uk/pa/ld201212/ldhansrd/text/120125-0001.htm>

Impact of the Benefit Cap

23. Z2K is also concerned that the Benefit Cap will require JCP staff to begin job searches for claimants that they have not previously had to engage with, such as those receiving Incapacity Benefit; ESA (WRA); Income Support (both disabled people and parents); and Carer's Allowance.
24. This will pose specific challenges due to the need for sympathetic employers and flexible working arrangements, especially in the context of an urgent need for employment in order to protect the claimant's accommodation. This may lead to inappropriate placements that are not sustainable, and could possibly lead to distress and difficulties for more vulnerable claimants.
25. Although Discretionary Housing Payments might be used to increase the amount of time JCP have to place a client before they become homeless, it is unclear what mechanism will be in place for JCP to share information with local authorities, and as the discretion lies with local authorities, there is an increased danger that this information will not be acted upon.
26. There is a very real danger that claimants will focus on securing affordable accommodation over and above seeking employment. This is entirely understandable given these claimants additional responsibilities, especially lone parents with young children. It is important that JCP work closely with local authorities to share information on households vulnerable to homelessness, so they can work together to prevent this. On the part of JCP this might involve looking again at their claimant commitment or on the part of local authorities this might involve providing a DHP or other assistance where JCP have yet to complete tasks necessary to helping the client to access employment.