

The Simon Community Northern Ireland welcomes the opportunity to respond to the Department for Social Development's Draft Equality Impact Assessment on the Northern Ireland Welfare Reform Bill.

About the Simon Community Northern Ireland

Simon Community is one of the leading homeless charities in Northern Ireland. We are committed to our vision of 'ending homelessness' and provide accommodation, advice and community support for individuals and families who are threatened with homelessness or who experience homelessness. We recognise that addressing homelessness involves more than providing accommodation and we have developed a range of services to meet other needs associated with being homeless including: Rent and Deposit Bond Scheme, Harm Reduction Service, Homelessness Prevention Programme, and Central Access Point; a 24/7 helpline providing advice and support to those who are homeless or at risk of becoming homeless. In addition, the organisation is, at present, establishing a Client Representative project which will ensure that people who experience homelessness have the opportunity to advocate their views on public policy

The Northern Ireland Context

Northern Ireland presents particular circumstances with regards to welfare reform, housing and arrangements to move people into employment. Although benefit rates are universal across the United Kingdom, there are significant differences in social security provision which recognise the particular circumstances applying in Northern Ireland. While the Department for Social Development is unlikely to move away from the major welfare reform proposals, it is possible that a Northern Ireland specific approach may be given to conditionality and a number of other initiatives heralded within the Welfare Reform Bill.

A recent report by the Institute of Fiscal Studies found that after London, Northern Ireland will be the hardest hit by tax and benefit cuts and to be implemented under the Bill between January 2011 and April 2014/15.¹ This is due to the large numbers of those in receipt of Disability Living Allowance (DLA), especially for mental health disorders and the high number of families with children who will be adversely affected by cuts to social security.

The proposed reforms focus on making work pay, however, social security benefits and tax credits have much wider purposes: they provide social protection that are relied upon at critical points in individuals' lives. The key objectives of simplification and improving work incentives are welcome, however, must take into consideration the wider principles of tackling poverty and social injustice.

¹ James Brown ., IFS Briefing Note 114 The Impact of Tax and Benefit Reform to be introduced between 2010/11 and 2013/14 in Ireland pg 4

Impact on Particular Groups

Persons with a disability

The Personal Independence Payment (PIP) will replace DLA, where it seems almost certain that fewer disabled people will qualify for PIP than currently qualify for DLA and those that do may qualify for shorter periods of time.

The level of disability in Northern Ireland is one of the highest within the UK with 21% of adults and 6% of children living in private households having a disability. Approximately 185,457 people are in receipt of DLA in Northern Ireland, of those 116,652 (63%) are working age and therefore the group to be affected by these proposals.²

The current qualifying period is 3 months and we are concerned about the proposal to extend the qualifying period for PIP to 6 months. The purpose of DLA is to assist people with disabilities to meet the additional costs faced as a result of their disability. We can see no justification for extending the qualifying period which may result in unnecessary financial strain being placed on people with disabilities for administrative reasons.

The Bill also replaces the disability element of child tax credit with a 'disability addition' for children, to align with the additions for disabled adults. We welcome the change for severely disabled children to receive a slight increase from current rates; however, we are concerned that the majority of children with disabilities could end up receiving less than half of their current rates under Universal Credit.³ Disabled children are disproportionately likely to live in poverty and this clause is likely to increase child poverty for these children.

People with dependants

Gradually parents have been transferred from Income Support to Job Seekers Allowance when their youngest child is aged 12(2008), aged 10(2009), aged 7 (2010). The new Bill proposes to reduce this further and increase conditionality by requiring single parents to seek work when their youngest child reaches their 5th birthday. There is a potential adverse impact on child poverty if lone parents are exposed to the risk of benefit sanctions. Implementing Universal Credit and increased conditionality could have a potential negative impact on family life, an adverse impact on women, in particular, and children

Both the supply and the cost of childcare are factors in parents', especially women's, choices in determining the proportion of time they spend doing paid work outside the home. These factors also apply to elder care and caring for disabled and sick people. However, for those with caring responsibilities, constraints such as the availability of flexible hours of work and paid-for childcare are much more significant.

² DSD Benefit Summary of Statistics , Disability Living Allowance, November 2010

³ Joint Briefing: Report and Third Reading of the Welfare Reform Bill June 2011. Available at www.cpag.org

The provision of affordable and accessible high quality childcare in Northern Ireland lags far behind the rest of the UK. Unlike in England and Wales where the Child Care Act 2006 imposes a duty on local authorities to identify and meet childcare needs, Northern Ireland has no corresponding childcare legislation and there is no statutory obligation on local or public authorities to provide high quality and affordable childcare. The barrier this places on parents' ability to enter the workplace cannot be underestimated and therefore a balance should be sought between promoting employment and supporting the family life. Universal Credit will fail to get the targeted people into work if these barriers to the workplace are not effectively broken down and claimants with dependent children could face sanctions due to a lack of access to proper childcare services in Northern Ireland.

Gender

The social security system has been adapted to reflect changes in family composition and other developments since its inception. However, the model of needs and resources being assessed on a joint basis for means-tested benefits and tax credits for couples persists in these proposals. The Bill proposes that in joint applications Universal Credit will be made as a single payment to one nominated person. Doing so could severely restrict the economic independence of women and could adversely impact on children, as money for children may not be channelled correctly if not received by the main carer. In our view, this kind of arrangement would be a retrograde step which does not reflect modern family forms or women's practice of equality. Furthermore, in the event of relationship breakdown individuals' the wellbeing of both adults and children could be put at greater risk if the whole of any benefit payment is lost. Research conducted on couples receiving Jobseeker's Allowance showed that the identification of the benefit payments of only the named claimant (at that time the male partner in over nine out of ten cases) was thought to confer enhanced individual entitlement to the income.⁴

We recommend that payments of Universal Credit should be jointly made and the Bill should also allow for payments that are intended to benefit children to be referenced as such and paid to the main carer of the children, usually the mother.

Age

More consideration as to the impact of Welfare Reform on older people is required. As the state pension age is increased, consultations on Universal Credit have not sufficiently addressed how it will work for older people. For example, what will the benefit situation be for an older person working part-time or for an older person, who has children, either their own or grandchildren for whom they have caring responsibilities? The line between working age and old age is becoming more and more fluid and welfare reform policy needs to reflect this.

⁴ Snape, D and Molloy, D, 1999, *Relying on the State, Relying on Each Other*, Department for Work and Pensions Research Report 103, Corporate Document Services

Universal Credit will not apply to people who have reached the qualifying age for State Pension Credit. If someone, however, has a partner under State Pension age then they will not be able to claim Pension Credit as Department of Work and Pensions wants all people under State Pension Credit to claim Universal Credit and be subject to work related activities

It is important that the introduction of PIP ensures adequate support for disabled people aged 50 and over. We recommend that the new claimant commitment under Universal Credit takes into account the needs of people aged over 50 to help older workers remain in and re-enter employment.

Other issues:

Housing Costs

The Government intends to use these measures to cut Housing Benefit for people deemed to be ‘under occupying’ their social home and to uprate housing costs for private tenants by CPI rather than by reference to local market, as currently.

Simon Community NI is aware of the need for the most efficient use of social housing, and therefore is in principle supportive of measures to tackle under occupancy. It is crucial, however, that these measures do not penalise tenants with long term ill health or disabilities, including couples and young children who are unable to share a bedroom. We oppose sanctions to force people to move, however, we believe that more could be done to provide incentives and encourage tenants to move to more suitable accommodation. Freeing up larger family homes in this way could similarly help tackle problems of overcrowding.

We note from the Equality Impact Assessment that older people and those with disabilities will be adversely impacted by this measure. We are concerned that reliance on Discretionary Housing Payments is not a satisfactory remedy, especially for disabled persons, as it is a limited budget and does constitute any form of long term entitlement and as such can give no reliance that payment to individuals will be made. Furthermore, Simon Community NI is very concerned that the DHP Budget is being relied upon too heavily to mitigate the effects of all the housing benefit reforms e.g the shared accommodation rate changes. We would welcome further clarification on this matter. We would support the exemption of tenants in receipt of DLA to minimise the discriminatory impact on disabled people. Northern Ireland has seen an increase of 2.6% of DLA recipients since 2009 (177,653).⁵

In addition, we are concerned by the impact such sanctions will have on a claimant’s personal wellbeing as ‘having to move to a poorer area, or being unable to move out of one, is the geographical reality of social exclusion’.⁶ Friendship, social relations and strong supportive networks improve health at home, at work and in the community by providing necessary emotional and practical resources. Individuals’ support networks will be threatened if they are forced to move due to a shortfall in

⁵ DSD Benefit Summary of Statistics , Disability Living Allowance, November 2010

⁶ Danny Dorling., Poverty, Journal of the Child Poverty Action Group Issue 136, pg 11

rent and /or high rent arrears. Vulnerable adults, in particular resettled homeless persons, will need additional support if they are to move to a new area.

Under occupation will have an adverse impact on parents who share the care of their children and those claimants whose children have left home. We would welcome further clarification on this matter as there is little detail about the nationally determined percentage reduction or the process of implementation. We recommend that there is more formal scrutiny of the regulations once they have been published in detail.

The introduction of CPI uprating risks breaking the vital link between housing costs and housing benefit. CPI rises more slowly than RPI and is expected to be rise by 2% each year rather than the RPI's 4%. Affordable accommodation will therefore become concentrated in areas that have experienced less growth and which are likely to have fewer employment opportunities. Forcing benefit recipients to move further away from jobs will be a work disincentive and will trap people in unemployment – an unintended negative outcome of the Bill's principle.

Sanctions

We believe that the claimant commitment should be co-designed to encourage mutual responsibility and support and engage the claimant. The Bill provides for two types of sanctions i.e higher and other sanctions. Higher level sanctions may be imposed for periods to three year and other sanctions for up to 28 weeks. We are concerned by the maximum higher level sanctions and recommend that they should be reduced from 3 years to 26 weeks.

There is a potential adverse impact on child poverty if lone parents are exposed to the risk of benefit sanctions. Implementing Universal Credit in Northern Ireland could have a potential negative impact on family life and a further adverse impact on women and children. Any prolonged sanction is likely to cause serious hardship with negative outcomes for children. Where sanctions do apply it is vital that claimants are not sanctioned for failing to take up employment that would reduce their family income, nor should claimants be required to work where their parental responsibilities require them to put the welfare of their children first.

Robust safeguards should be in place to protect vulnerable claimants from hardship caused by inappropriate sanctions .We would also welcome the development of more personalised support to be delivered through Job Seekers Allowance. In addition, it is vital that Personal Advisers working with vulnerable adults and groups have a sound understanding of the particular difficulties they may face and the impact this may have on their returning to work.

Benefit Cap

The introduction of a benefit cap, no more than the 'estimated average earnings' for the same period, is intended to operate by identifying benefit entitlement in excess of the cap and reducing payment of certain benefits such that the overall level of benefit income does not exceed the cap. The overwhelming impact will be on large families living in high rent areas. Housing Benefit changes will already make life significantly

harder for such households and will see increased rent arrears and cases of homelessness. We see no justification for a further attack on such household incomes.

Social Fund

The Discretionary Social Fund (crisis and budgeting loans and community care grants) will be abolished, as will the office of the Social Fund Commissioner. Instead budgeting loans for advance payments will be given to local authorities, and in Northern Ireland, are likely to remain in within DSD (in as yet an undefined scheme). Simon Community NI notes that the future of the Social Fund is currently being consulted on. It seems somewhat premature that such proposals have been included in the Bill before formal consultation has been completed. The Social Fund acts a safety net for benefit recipients who face essential expenditure which they cannot meet e.g setting up or maintaining a home or experiencing financial crisis. We, therefore, recommend that a system of welfare should not be legislated for without a robust and effective alternative having been fully explored.

Regulations Scrutiny

Simon Community NI is concerned that much of the detail of the policy objectives is left to regulations which will not be subject to effective scrutiny by either Parliament or the Social Security Advisory Committee. This is of grave concern given the importance of the regulations.

Conclusion:

Simon Community NI believes that it is appropriate to tailor a Northern Ireland approach to issues raised within the Bill. We are concerned that a number of proposals within the Bill may have an adverse impact on certain Section. 75 groups and these comments constitute our preliminary analysis of some equality issues that need to be considered in the development of Northern Ireland policy.

Simon Community NI welcomes the opportunity to respond to this consultation. We trust you will find our comments helpful. If there is any further way in which we can contribute to the consultation process we would welcome the opportunity to do so.

If you would like any further information about this consultation response, please contact:

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