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**Department for Social Development Policies Targeting Child
and Older Citizen/Pensioner Poverty**

Research and Library Services

This Research Paper prepared for the Social Development Committee examines child and older citizen/pensioner poverty with a focus on the Department for Social Development's policies in relation to these areas. The Paper identifies DSD contributions to 'Lifetime Opportunities: Government's Anti-Poverty and Social Exclusion Strategy For Northern Ireland' and highlights a number of challenges if targets for a reduction of poverty amongst children and older citizens are to be achieved.

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SUMMARY OF KEY POINTS

'Lifetime Opportunities: Government's Anti-Poverty and Social Inclusion Strategy for Northern Ireland' published in November 2006, is a cross departmental Strategy to address poverty in Northern Ireland with two overall strategic objectives:

- ❑ To work towards the elimination of poverty and social exclusion in Northern Ireland by 2020; and
- ❑ To end child poverty by 2020 – based on the estimate of approximately 130,000 children in Northern Ireland living in relative income poverty in 1998/99. This means lifting 65,000 children out of poverty by 2010 on the way to eradication by 2020.

'Lifetime Opportunities' acknowledges that while single events can have a profound affect, it is the cycle of poverty that needs to be addressed. Children who live in poverty will often become under-achieving young people living on benefits or with poor employment prospects. Their children will in turn be born into poverty, thus perpetuating the cycle. People who live on low incomes are also less likely to have a healthy or financially secure older age. To break the cycle of poverty is therefore the aim of the policy, with initiatives in place to address poverty in different areas and at different times in peoples' lives. 'It must also insulate people from becoming poor and socially excluded as well as providing routes out of poverty for those who do.'

Key points identified relating to addressing poverty levels for children and elderly people mainly focus on the budget for education, childcare, employment and the tax and benefit system. This Research Paper identifies programmes and measures relating to the Department for Social Development ('the Department') in carrying out its obligations toward the anti-poverty strategy acknowledging that the Department is restricted to measures that fall within its remit, as is the case with all of the government departments.

Strategies and initiatives of the Department to address childhood and older citizen poverty in Northern Ireland include:

- ❑ The Benefit Up-take Campaign;
- ❑ Child Tax Credit;
- ❑ Pension Credits;
- ❑ Child Maintenance;
- ❑ Neighbourhood Renewal;
- ❑ Fuel Poverty Strategy;
- ❑ Housing; and
- ❑ Supporting People.

Information on each is provided and the paper concludes by identifying a number of policy challenges to achieving targets for a reduction in poverty.

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1.0 INTRODUCTION

This Research Paper will focus on the role of the Department for Social Development ('the Department') and its agencies¹ in fulfilling obligations within the Government's overall anti-poverty policy framework documented in '*Lifetime Opportunities: Government's Anti-poverty and Social Inclusion Strategy for Northern Ireland*'² In looking specifically at initiatives relating to children and older citizens, it will identify elements of the policy document and relate them to relevant Departmental measures to combat poverty.

It would not be possible to look at child poverty in isolation from the family and those who care for children and therefore measures to increase family income through Tax Credits and Social Security Benefits will be included, where relevant, within the scope of this paper. The paper concludes by highlighting key policy challenges relating for the Department in contributing to achieving poverty reduction targets.

2.0 LEVELS OF POVERTY IN NORTHERN IRELAND

The Department for Work and Pensions defines poverty for the UK as a whole as:

- Household income less than 60% of median for similar households;
- A couple with two children whose net income is less than £332 per week before housing costs; or
- A lone parent with one child whose net income is less than £217 per week before housing costs.

Over half of all households in Northern Ireland have incomes of less than £300 a week.³ Although earnings in Northern Ireland have increased, there is still a deficit when compared with earnings in the UK as a whole. In 2005 median gross weekly earnings were 90% of the level of the UK as a whole, and only the North East of England had a lower ranking than Northern Ireland.⁴

A report by the Joseph Rowntree Foundation, '*Monitoring poverty and social exclusion in Northern Ireland 2006*'⁵ provides statistics for some of the areas the anti-poverty policy for Northern Ireland addresses. In providing a comparison with

¹ Agencies of the Department are the Social Security Agency (SSA), the Child Support Agency (CSA) and the Northern Ireland Housing Executive (NIHE).

² 'Lifetime Opportunities: Government's Anti-Poverty and Social Inclusion Strategy for Northern Ireland' (November 2006) OFMDFM. <http://www.ofmdfmi.gov.uk/antipovertyandsocialinclusion.pdf>

³ 'Households Below Average Income Report 2005-06. http://www.dsdni.gov.uk/index/stats_and_research/stats-publications/stats-family-resource/households/publications-hbai_publication_2005_06.htm

⁴ 'Indicators of Social Change' <http://www.ofmdfmi.gov.uk/socialchangeinni.pdf>

⁵ Kenway, P., MacInnes, T., Kelly, A. and Palmer, G. 'Monitoring poverty and social exclusion in Northern Ireland 2006', (2006): Joseph Rowntree Foundation and New Policy Institute. <http://www.jrf.org.uk/bookshop/details.asp?pubID=839>

poverty levels in GB, it provides perspective to the areas the Department's initiatives seek to impact on. Relevant key findings on levels of poverty for children and older citizens are highlighted below and include:

- ❑ high numbers receiving out-of-work benefits; 27% of people aged over 60 were entitled to the Guarantee element of Pension Credit;⁶
- ❑ high numbers receiving in-work benefits; 19% of working age households received working and/or child tax credits; and
- ❑ a very high fuel poverty rate; 24% of households unable to afford to heat their home to an adequate standard.

However, in contrast to these findings where Northern Ireland had particularly unfavourable results, the report goes on to say that 'it is striking that, on all the headline measures of income poverty, Northern Ireland is around the GB average' with;

- ❑ the 20% overall income poverty rate around the GB average with around 350,000 people living in income poverty in Northern Ireland;
- ❑ the 25% child income poverty rate slightly below the GB average with around 100,000 children living in income poverty in Northern Ireland; and
- ❑ the 20% pensioner income poverty rate the same as the GB average with around 50,000 pensioners living in income poverty in Northern Ireland.

The '*Households Below Average Income in Northern Ireland Report for 2005/06*⁷ (August 2007) provides information on potential living standards as determined by disposable income. Key findings for childhood and pensioner poverty showed that:

- ❑ In 2005/06, more than half of children in NI lived in households with incomes in the bottom two quintiles of the income distribution.
- ❑ Families with children were more at risk of low incomes than those without children.
- ❑ Lone parent families were particularly at risk.
- ❑ Children in households with two adults were less likely to be in lowest income quintile than children in households with one adult.
- ❑ Children living in families in receipt of JSA were most likely to be in low-income families.
- ❑ Single pensioners were more at risk of low-income than pensioner couples.
- ❑ Pensioners living in NIHE or Housing Association properties were least at risk of low-income, compared to pensioners living in accommodation they owned outright who had the highest risk before housing costs.

⁶ Pension Credit is in two parts; a Guarantee Credit to top up income to a minimum amount and a higher amount for those who are disabled, a carer or have certain housing costs.

⁷ www.dsdni.gov.uk/publications-hbai_publication_2005_06

- Pensioners living in Belfast showed a greater risk of poverty in 2005/06 compared to 2004/05.
- Three in five pensioners, below the UK mean and median incomes, were not in receipt of any benefits listed before housing costs.

Age Concern (UK) issued a press release⁸ on 4 October 2007 stating that the benefits system was putting elderly people off claiming benefits they were entitled to. It claimed that elderly people found the benefits system too complicated and means testing too intrusive.

3.0 ANTI-POVERTY POLICY

The policy paper *'Lifetime Opportunities: Government's Anti-poverty and Social Inclusion Strategy for Northern Ireland'*⁹ ('Lifetime Opportunities') was launched in November 2006 under direct rule. It is a cross-departmental strategy with the aim of bringing together departments, agencies and the voluntary sector to work collaboratively and is a result of the previous Executive's commitment to review New Targeting Social Need. The recently published framework of 23 Public Service Agreements (PSAs) which accompanied the Draft Programme for Government and Draft Budget, however, contains the following action:

In line with Section 16 of the Northern Ireland St Andrews Agreement Act 2006 achieve agreement by the Northern Ireland Executive Committee, on the adoption of a strategy setting out how it proposes to tackle poverty, social exclusion and patterns of deprivation based on objective need.¹⁰

'Lifetime Opportunities' is based on the subsequent extensive consultation which identified the need for an inter-departmental joined up approach with an emphasis on child poverty.¹¹ It states that although trends in addressing poverty have been positive, there are still 327,000 people, including 102,000 children and 54,000 pensioners living in poverty in Northern Ireland.¹²

Two overall strategic objectives of *'Lifetime Opportunities'* are:

- To work towards the elimination of poverty and social exclusion in Northern Ireland by 2020; and

⁸ <http://www.ageconcern.org.uk/AgeConcern/ACF27D5BD87F43B1B35155C67A628760.asp>

⁹ 'Lifetime Opportunities: Government's Anti-Poverty and Social Inclusion Strategy for Northern Ireland' (November 2006) OFMDFM. <http://www.ofmdfmi.gov.uk/antipovertyandsocialinclusion.pdf>

¹⁰ PSA 7 Objective 1 <http://www.pfgbudgetni.gov.uk/psaframework241007.pdf>

¹¹ <http://www.ofmdfmi.gov.uk/index/equality/central-anti-poverty-unit/capu-way-forward-anti-poverty-strategy.htm>

¹² 'Lifetime Opportunities: Government's Anti-Poverty and Social Inclusion Strategy for Northern Ireland' (November 2006) OFMDFM. <http://www.ofmdfmi.gov.uk/antipovertyandsocialinclusion.pdf> (pp.3/4)

- To end child poverty by 2020 – based on the estimate of approximately 130,000 children in Northern Ireland living in relative income poverty in 1998/99. This means lifting 65,000 children out of poverty by 2010 on the way to eradication by 2020.

'Lifetime Opportunities' acknowledges that while single events can have a profound affect, it is the cycle of poverty that needs to be addressed. Children who live in poverty will often become under-achieving young people living on benefits or with poor employment prospects. Their children will in turn be born into poverty, thus perpetuating the cycle. People who live on low incomes are also less likely to have a healthy or financially secure older age. To break the cycle of poverty is therefore the aim of the policy, with initiatives in place to address poverty in different areas and at different times in peoples' lives.¹³ 'It must also insulate people from becoming poor and socially excluded as well as providing routes out of poverty for those who do.'¹⁴

4.0 THE DEPARTMENT'S STRATEGIES AND PROGRAMMES

This section of the paper looks at the strategies and programmes of the Department which impact most directly on pensioner and child poverty in contributing to the Government's Anti-Poverty Strategy. Although it is within the competence of the NI Assembly to introduce a social security scheme which differs from the GB scheme, there is an expectation that parity will be maintained between the two systems. Transfers between the GB and Northern Ireland National Insurance Funds maintain contributions and benefits, for example child support and pensions, at common levels throughout the UK. Under the Scotland Act 1998¹⁵ (Schedule 5) Social Security is a reserved matter and the Scottish Parliament, therefore, cannot legislate in this area.

In spite of parity, the Department does play an important role in implementing programmes and measures to encourage benefit uptake and give extra assistance to vulnerable groups. These include:

- A 'Benefit Uptake Campaign' targeting older citizens, the disabled and their families and carers;
- Child Tax Credit to alleviate poverty for families and single parents with an element for child care to help parents to find work;
- Pension Credit to bring pensions up to the level that the Government say people need to live on;

¹³ 'Lifetime Opportunities: Government's Anti-Poverty and Social Inclusion Strategy for Northern Ireland' (November 2006) OFMDFM <http://www.ofmdfmi.gov.uk/antipovertyandsocialinclusion.pdf> (Para: 35-37)

¹⁴ 'Lifetime Opportunities: Government's Anti-Poverty and Social Inclusion Strategy for Northern Ireland' (November 2006) OFMDFM <http://www.ofmdfmi.gov.uk/antipovertyandsocialinclusion.pdf> (p.8)

¹⁵ <http://www.opsi.gov.uk/ACTS/acts1998/19980046.htm>

- Child Support Agency to arrange and/or collect payment for child maintenance from absent parents;
- 'Neighbourhood Renewal'; a cross-departmental strategy addressing social, economic and environmental issues in areas of high deprivation throughout Northern Ireland;
- 'Fuel Poverty Strategy' which incorporates several schemes to provide warmer homes;
- Social housing provision; and
- Supporting People.

4.1 Benefit Uptake Campaign

One of the '*Lifetime Opportunities*' targets regarding older citizens is that:

By 2020, all older people will enjoy security and financial independence through increased provision of opportunity to remain in work and maximum uptake of their eligibility to pensions and benefits.¹⁶

The Department spends approximately £4 billion a year on social security benefits. The Social Security Agency has a programme of benefit uptake activities, both internal and external; in 2006/07 6% of clients had successful claims, with £1,380,580 paid out in arrears. This amounted to an average weekly entitlement of approximately £42 per claimant amounting to additional yearly benefit of £6 million.¹⁷

In May 2007 the Minister announced a £750,000 Social Security Agency Benefit Uptake Campaign targeting 230,000 people, mainly pensioners, as well as those with a disability, mental health problem or long term illness and their families and carers.¹⁸

In August 2007 the Minister announced the appointment of the Citizen's Advice Bureau and Advice NI to help people check that they are getting the correct benefits. This is the third year that the Social Security Agency has operated a benefit uptake exercise with external organisations.¹⁹ Working in partnership the Social Security Agency is targeting an identified 2,766 Pension Credit and State Pension clients over 75 who are not in receipt of Attendance Allowance and will encourage greater take up of Carers Allowance or disability benefits. A further 12,041 female

¹⁶ 'Lifetime Opportunities: Government's Anti-Poverty and Social Inclusion Strategy for Northern Ireland' (November 2006) OFMDFM <http://www.ofmdfmi.gov.uk/antipovertyandsocialinclusion.pdf> (p.59)

¹⁷ http://www.dsdni.gov.uk/index/news_releases.htm 9 August 2007: Notes to Editors

¹⁸ http://www.dsdni.gov.uk/index/news_releases.htm 14 May 2007

¹⁹ http://www.dsdni.gov.uk/index/news_releases.htm 9 August 2007

pensioners, mostly single and on low incomes will be given a full benefit assessment.²⁰

4.2 Child Tax Credit

Child Tax Credit is administered by the Social Security Agency. It is a means-tested allowance for parents and carers of young people who are still in full-time non advanced education or approved training. Eligibility is not confined to parents, but the claimant must be the main person responsible for the child or young person.²¹ Child tax Credit in Northern Ireland is in parity with the rest of the UK with 146,000 in-work families receiving child and working tax credits in April 2005.²² In 2004-05 the average amount of credit for families with children in Northern Ireland was £3,187 compared with £2,790 in the UK as a whole.²³

A Briefing Paper by Barnardo's Northern Ireland²⁴ argues that benefits for lone parents or couples with two children fall below the Government's poverty levels. It also states that even for working families poverty is still a reality with 47% of children living in poverty in Northern Ireland in a household with at least one parent working. The Barnardo's Briefing argues that in order to keep the pledge by the UK Government to halve child poverty by 2010, it would have to spend £3.8 billion more than currently planned. It goes on to cite the Institute of Fiscal Studies which has 'identified that the child poverty target could be achieved by increasing the child element of the Child Tax Credit by a further £11 a week and giving an extra £20 per week [for] the third and subsequent children through the family element of one child tax credit.'

4.3 Pension Credits

Pension Credit is a means-tested benefit for those aged 60 or over. Guarantee Pension Credit brings a person or couple's pension up to the level that the Government says they need to live on. It may be more for someone who is severely disabled or a carer. Those aged 65 or over may be entitled to the Saving Credit part of Pension Credit even if they have income higher than basic state pension or have

²⁰ 'Lifetime Opportunities: Government's Anti-Poverty and Social Inclusion Strategy for Northern Ireland' (November 2006) OFMDFM <http://www.ofmdfmi.gov.uk/antipovertyandsocialinclusion.pdf> (para.138)

²¹ www.direct.gov.uk/en/MoneyTaxAndBenefits/TaxCreditsandChildBenefit/TaxCredits/DG_4015478

²² 'Lifetime Opportunities: Government's Anti-Poverty and Social Inclusion Strategy for Northern Ireland' (November 2006) OFMDFM (para.6)

<http://www.ofmdfmi.gov.uk/antipovertyandsocialinclusion.pdf> (para.138)

²² www.direct.gov.uk/en/MoneyTaxAndBenefits/TaxCreditsandChildBenefit/TaxCredits/DG_4015478

²³ 'Lifetime Opportunities: Government's Anti-Poverty and Social Inclusion Strategy for Northern Ireland' (November 2006) OFMDFM <http://www.ofmdfmi.gov.uk/antipovertyandsocialinclusion.pdf> (para. 52)

²⁴ 'It doesn't happen here: The reality of child poverty in Northern Ireland' http://www.barnardos.org.uk/it_doesnt_happen_here_ni-2.pdf

modest savings. In September 2006, 112,518 people in Northern Ireland were receiving Pension Credit.²⁵

'A New Pension Settlement for the Twenty-First Century: The Second Report of the Pensions Commission' (Turner Report) was published on 30 November 2005.²⁶ One of the proposals was that from 2010 Basic State Pension should increase in line with earnings instead of prices. The Commission hoped that a boost in pensions would mean a reduction in means-tested benefits such as Pension Credit, which the Commission considered could act as a disincentive to saving.

The Head of Public Affairs at Help the Aged (UK) welcomed the report as a landmark document and said: 'What's most remarkable is that it reflects the growing consensus around the need for a decent state pension linked to earnings, and the inadequacy of a means-tested alternative as a sustainable, long-term approach. The proposals for reform are welcome but urgent if we are to address poverty in our present older generation.'²⁷

A Report from Age Concern Northern Ireland²⁸ suggests that debt among older people is increasing, with the first year of retirement a critical period. They argue that the value of the basic state pension continues to fall in relation to general living standards. In relation to women, only 30% of women are entitled to the full state pension²⁹ and government has estimated that by 2025 just over 80% of women will be entitled. This is due to having cared for families, low paid jobs and leaving the workforce early to perform a caring role. Age Concern argues that they are 'now paying the price for that contribution to society'.

Pension Credit in Northern Ireland is administered by the Social Security Agency. The Pension Service of the Social Security Agency processed 19,088 claims for Pension Credit between 1 April 2005 and 31 March 2007, including some applications carried forward from the previous year. At 30 April 2007 there were 1,854 Pension Credit claims outstanding.³⁰

²⁵ 'Lifetime Opportunities: Government's Anti-Poverty and Social Inclusion Strategy for Northern Ireland' (November 2006) OFMDFM (para.6).

²⁶ <http://www.ofmdfmi.gov.uk/antipovertyandsocialinclusion.pdf>

²⁶ <http://www.pensionscommission.org.uk/publications/2005/annrep/main-report.pdf>

²⁷ [http://www.helptheaged.org.uk/en-](http://www.helptheaged.org.uk/en-gb/AdviceSupport/FinancialAdvice/Pensions/PensionIssues/as_penissues_180106_2.htm)

[gb/AdviceSupport/FinancialAdvice/Pensions/PensionIssues/as_penissues_180106_2.htm](http://www.helptheaged.org.uk/en-gb/AdviceSupport/FinancialAdvice/Pensions/PensionIssues/as_penissues_180106_2.htm)

²⁸ 'Public Policy for Older People: The Age Agenda for Northern Ireland 2007' Age Concern Northern Ireland. http://www.ageconcernni.org/public_policy.htm

²⁹ 'Women and Pensions – The Evidence', DWP, November 2005.

³⁰ Parliamentary Question 135341, 2 May 2007

The Social Security Agency provides an information service to those claiming Pension Credit. In answer to a Parliamentary Question³¹ on the 2 May 2007, the Secretary of State for Northern Ireland said:

The agency is currently assessing the resources required to ensure that the needs of older people are met. The agency recognises that older people are a vulnerable customer group and that pension advisers play an important role in meeting their needs. The agency remains committed to ensuring that older people can access information and advice on benefit related issues and will continue to offer a pension adviser service.³²

Concern was expressed in an Assembly Question on 2 July 2007³³ that the number of outreach pension advisers employed by the Social Security Agency was to be cut from 35 to 20. In response, the Minister for Social Development said that the 20 Social Security Agency outreach workers would be strategically employed throughout Northern Ireland and that an adviser would be available in all areas of Northern Ireland with the highest levels of deprivation. The review that led to the reduction in pension advisers had taken account of historical information and the forecasted demand for the service and concluded that 20 advisers 'could provide a fit-for-purpose outreach service for older people'. The new arrangements were to be in place by the end of September 2007. As referenced earlier in this paper, Age Concern has found that pensioners are finding the benefit system too complicated and means-testing intrusive.

4.4 Child Maintenance

No specific targets in *'Lifetime Opportunities'* were aligned to child maintenance, although strategies relating to supporting lone parents were referred to throughout the document. The Child Support Agency (CSA) has been in existence since 1993 as an Agency of the Department. Its purpose is to arrange or collect child support maintenance for children whose parents live apart.

The Child Support Agencies in Northern Ireland and GB have operated under separate legislation, but with reciprocal arrangements in place to deliver an integrated service throughout the UK. The Northern Ireland Child Support Agency has been operating a service within Northern Ireland, but has also provided a service to an area in Eastern England with a population of 8-10 million under a partnership contract with the Agency in GB.

In March 2003 a new child support system was introduced along with a new computer system which was to apply to all new cases. However, due to well

³¹ Parliamentary Question 135340, 2 May 2007.

³² <http://www.publications.parliament.uk/pa/cm200607/cmhansrd/cm070502/text/70502w0010.htm>

³³ <http://www.niassembly.gov.uk/record/reports2007/070702.htm> AQO 203/07, 2 July 2007

publicised problems with the new computer and telephony systems the Child Support Agency has had to operate two child support schemes in parallel; the 'new' scheme for cases from March 2003 and 'old' cases prior to March 2003.³⁴

Following the Henshaw Report (July 2006) on the redesign of child support³⁵ the Minister for Social Development, under the principle of parity, will be bringing forward legislation replicating policy changes in Britain. The '*Child Maintenance and Other Payments Bill*'³⁶ was introduced in Westminster on 5 June 2007 and seeks to implement recommendations contained in the Henshaw Report. These include:

- Removing the requirement for parents who claim benefits to be treated as applying for child maintenance;
- Encouraging parents to make their own arrangements by increasing the amount of maintenance which parents on benefit can keep before their benefits are affected;
- Simplifying and streamlining the child maintenance assessment process by, for example, using the latest available tax year information to calculate maintenance;
- Improving collection and enforcement processes; and
- Increasing efforts to collect and manage debt.

The Bill also provides for the Child Support Agency in GB to be replaced by a Non-Departmental Public Body (the Child Maintenance and Enforcement Commission) to deliver the new service. A finding of the Report was that 'the state spends significant resources transferring relatively small amounts of money between people who often do not wish to use the Child Support Agency. Only 13 per cent of current cases have the potential to recoup money for the state'.³⁷ In Northern Ireland the Minister intends to wind up the Child Support Agency and bring service delivery under the direct control of the Department.

4.5 Neighbourhood Renewal

A '*Lifetime Opportunities*' target for older citizens by 2020 is that '---through integrated partnerships, every older person has access to the full range of support services, social networks and cultural and sporting activities available in their area.'³⁸

³⁴ DSD First Day Brief

³⁵ 'Recovering Child Support: routes to responsibility' July 2006: DWP

http://www.dwp.gov.uk/childmaintenance/pdfs/Henshaw_complete22_7.pdf

³⁶ <http://www.publications.parliament.uk/pa/cm200607/cmbills/118/2007118.pdf>

³⁷ http://www.dwp.gov.uk/childmaintenance/pdfs/2_Executive_summary.pdf

³⁸ 'Lifetime Opportunities: Government's Anti-Poverty and Social Inclusion Strategy for Northern Ireland' (November 2006) OFMDFM (p.59).

<http://www.ofmdfmi.gov.uk/antipovertyandsocialinclusion.pdf>

Early years targets for 2020 include every parent having access to services that allow their children to '---reach their potential and have the opportunity to lead useful and satisfying lives by becoming active contributors to their community through participating socially, educationally and economically.'³⁹

Neighbourhood Renewal is an element of the Department's Urban Regeneration Strategy. It is a 10 year strategy to deliver improvements in the lives of those living in the most deprived areas of Northern Ireland. Neighbourhood Renewal incorporates cross-departmental actions to address poverty in 36 of the most deprived areas of Northern Ireland by addressing issues of health, education, employment and housing and aims to deliver in the areas of child and pensioner poverty through social, economic and environmental initiatives.

'*Lifetime Opportunities*' expresses concern that persistent pensioner poverty has not been reduced quickly enough and that particularly in rural areas older citizens are living in poverty with an increased dependence on public services. Although '*Lifetime Opportunities*' states that 'the Neighbourhood Renewal Strategy puts the delivery of more effective public services at the top of government's agenda,⁴⁰ it is an urban based programme. Where children are most at risk of poverty in urban areas outside the Belfast Metropolitan Urban Area (BMUA), the pattern is different for older citizens. Thirty-three percent of older citizens in households experiencing income poverty live in rural areas, compared to 12% in the BMUA and 16% in urban areas outside the BMUA.⁴¹

'*Lifetime Opportunities*' states that the Neighbourhood Renewal Strategy works to:

- ❑ target funding at the most deprived neighbourhoods;
- ❑ make public services as effective as possible by improving the co-ordination of statutory providers; and
- ❑ maximise the impact through the prioritisation of new resources going into Neighbourhood Renewal areas.⁴²

The Department's Public Service Agreement Target for Neighbourhood Renewal is 'By 2010, in conjunction with other government departments, agencies and public

³⁹ 'Lifetime Opportunities: Government's Anti-Poverty and Social Inclusion Strategy for Northern Ireland' (November 2006) OFMDFM (p.31).

<http://www.ofmdfmi.gov.uk/antipovertyandsocialinclusion.pdf>

⁴⁰ 'Lifetime Opportunities: Government's Anti-Poverty and Social Inclusion Strategy for Northern Ireland' (November 2006) OFMDFM (p.58).

<http://www.ofmdfmi.gov.uk/antipovertyandsocialinclusion.pdf>

⁴¹ 'Indicators of Social Change' <http://www.ofmdfmi.gov.uk/socialchangeinni.pdf>

⁴² 'Lifetime Opportunities: Government's Anti-Poverty and Social Inclusion Strategy for Northern Ireland' (November 2006) OFMDFM (para.22).

<http://www.ofmdfmi.gov.uk/antipovertyandsocialinclusion.pdf>

bodies to implement the Neighbourhood Renewal Strategy'.⁴³ The Department claims that all of the actions and targets are on course to achieve this.⁴⁴

In order to measure the success of the Neighbourhood Renewal Strategy regional targets are to be set to measure the impact on key strategic themes including education, health, employability, skills, youth and community safety/crime. Work is ongoing to establish baselines and set regional targets to monitor progress.⁴⁵

4.6 Fuel Poverty Strategy

A 'Lifetime Opportunities' target for older citizens beyond working age is by 2020 to 'ensure that every pensioner lives in a decent, warm, secure home.'⁴⁶

In 2001 in Northern Ireland 33% of all households were fuel poor, compared with only 9% in England and 17% in Scotland.⁴⁷ 'Ending Fuel Poverty: A Strategy for Northern Ireland' (November 2004)⁴⁸ was published by the Department following consultation. The definition of fuel poverty is when a household has to spend more than 10% of their income on keeping their home at an acceptable temperature. Northern Ireland has the highest rate of fuel poverty in the UK, with 1 in 3 households suffering its effects. Almost 27,000 families with children live in fuel poverty in Northern Ireland.⁴⁹

The Strategy was criticised by local campaigners when it was launched. The Political Affairs Officer for Age Concern said;

During the consultation period, a clear message was given to the Department in relation to the need to extend the Warm Homes Scheme criteria. However, there is no commitment in the final strategy to review these criteria to allow more people to benefit from this invaluable scheme. So, yet again this winter, vulnerable older people will be forced to choose between heating and eating.⁵⁰

⁴³ DSD Business Plan 2007-2008.

⁴⁴ DSD 2006-2007 Business plan End of Year Report.

⁴⁵ DSD First Day Brief.

⁴⁶ 'Lifetime Opportunities: Government's Anti-Poverty and Social Inclusion Strategy for Northern Ireland' (November 2006) OFMDFM <http://www.ofmdfmi.gov.uk/antipovertyandsocialinclusion.pdf> (P.59)

⁴⁷ http://www.dsdni.gov.uk/fuel_poverty.htm

⁴⁸ http://www.dsdni.gov.uk/ending_fuel_poverty_-_a_strategy_for_ni.pdf

⁴⁹ 'It doesn't happen here: The reality of child poverty in Northern Ireland' http://www.barnardos.org.uk/it_doesnt_happen_here_ni-2.pdf

⁵⁰ 'Cold Comfort' For Fuel Poor, Belfast News Letter (Northern Ireland) November 24, 2004.
Providing research and information services to the Northern Ireland Assembly

The Director of the fuel poverty charity National Energy Action⁵¹ at the time said that England and Scotland had 'responded more comprehensively' and that there were 'no additional resources or new policy initiatives in the new strategy'.

The Director of Energy at the General Consumer Council said that 'With lower incomes and higher energy prices than the rest of the UK, the strategy needs more resources and tougher targets, not less.'⁵²

Since devolution the Minister for Social Development has re-affirmed her commitment to eradicate fuel poverty and meet the Strategy's target. This is to eradicate fuel poverty for all vulnerable groups and those who live in social housing by 2010 and in non-vulnerable households by 2016. Addressing the Assembly on 29 May 2007,⁵³ the Minister, Margaret Ritchie, told the Members that fuel poverty is influenced by low income, poor energy efficiency and high energy costs.

The Department has responsibility for convening the Inter-Departmental Working Group on Fuel Poverty which is chaired by the Minister. Outlining her strategy to the non-governmental Northern Ireland Fuel Poverty Advisory Group⁵⁴ the Minister said:

While my Department is responsible for Northern Ireland's Fuel Poverty Strategy, it will require concerted action by government departments, the relevant public sector organisations, the voluntary and community sector, energy suppliers and the energy industry.⁵⁵

The Department funds the Fuel Poverty Strategy (approximately £44 million in the year up to May 2007)⁵⁶ with several initiatives. These are administered through its agencies and include:

Winter Fuel Payment

Administered by the Social Security Agency, the Winter Fuel Payment provides £200 for those over 60 years of age and £300 for those over 80 years of age each year to help with their heating costs. The Social Security Agency pays out approximately £54 million each year in cold weather and winter fuel payments.⁵⁷

⁵¹ National Energy Action (NEA) is a national charity campaigning against fuel poverty in the UK, with an office in Belfast covering Northern Ireland.

⁵² Thousands will be 'left out in the cold', Irish News November 24, 2004.

⁵³ <http://www.niassembly.gov.uk/record/reports2007/070529.htm>

⁵⁴ Comprises representatives from the private, voluntary and community sectors.

⁵⁵ http://www.dsdni.gov.uk/index/news_releases.htm 18 July 2007

⁵⁶ http://www.dsdni.gov.uk/index/news_releases.htm 29 May 2007

⁵⁷ http://www.dsdni.gov.uk/index/news_releases.htm 10 July 2007

Warm Homes Scheme

The Warm Homes Scheme is financed by the Department, administered by the NIHE and managed by a private company (eaga plc). It is aimed at private sector housing only; those who own their own homes or rent from a private landlord and is not available for social sector housing. Set up in 2001 to assist people install better insulation and heating in their home, the number of households benefiting has doubled from 4,250 in 2001 to 10,000 in the current financial year. The Department intends to spend £20 million in 2007/08 on the Warm Homes Scheme.⁵⁸ The scheme has also recently been extended to include those aged 60 or over in receipt of non-means tested disability benefits.

A grant of £850 is available to provide a package of energy efficiency and insulation measures. Three main groups of householders are eligible for grants:

- Householders (or their spouse) of any age in with a child under 16 years of age and in receipt of certain benefits;
- Householders under the age of 60 (or their spouse) in receipt of disability related benefits; and
- Householders 60 years and over in receipt of certain benefits.

Warm Homes Plus Scheme is available to those aged 60 years and over in receipt of specified benefits to provide a grant of £4,300 for insulation and heating.

Eaga also provide a Benefit Entitlement Health Check to maximise the income of their customers.⁵⁹

NIHE Tenants

The NIHE's maintenance and improvement programmes include measures to address fuel poverty for public sector tenants.

4.7 Housing

A Joseph Rowntree Report⁶⁰ found that when looked at in comparative terms with GB, income poverty rates were surprisingly low given that Northern Ireland had a higher proportion of people than any other UK region not in paid work. They concluded that one of the reasons for this was probably the lower housing costs in Northern Ireland. This is clearly no longer the case. Rising house prices in Northern Ireland have been well publicised; dubbed by the media the 'property hot spot of Europe'. House prices have risen by 37% in the past year,⁶¹ with first time buyers

⁵⁸ http://www.dsdni.gov.uk/index/news_releases.htm 10 July 2007

⁵⁹ www.eagagroup.com

⁶⁰ 'Monitoring poverty and social exclusion in Northern Ireland 2006', (2006) Joseph Rowntree Foundation and New Policy Institute. <http://www.jrf.org.uk/bookshop/details.asp?pubID=839>

⁶¹ 'Northern Ireland: housing hotspot' Guardian Special Report: Northern Ireland, May 16th 2007.
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priced out of the market, an increasing reliance on the private rented sector and social housing unable to keep up with demand.

In a statement from the Minister following the Draft Investment Strategy⁶² the Minister outlined the challenges and opportunities for her Department. Having made the provision of social and affordable housing her top priority, the allocation of funds is insufficient to meet the target of 2,000 new social housing house starts every year recommended by Semple.⁶³ However, at the time of writing the budget is in draft form and the Minister in her statement has said that she is looking at how additional funds can be found and housing may do better in the final draft. The Minister is also hoping that there will be assurances that receipts from land sales can be retained by the Department for building more houses. Executive colleagues have agreed that whenever land assets are realised by other departments, social housing should be a top priority for these funds.

An Early Years Target in 'Lifetime Opportunities' is to by 2020 to '---- ensure that every child lives in a decent and safe home, which is warm' needs to address the acknowledgement that '---- in some places poor housing conditions persist, most notably in the private rented sector----'. The Department introduced legislation in April 2007 to address the standard of housing in the private sector. Under the '*Private Tenancies (Northern Ireland) Order 2006*' the landlord of a private tenancy commencing after 1 April 2007 of a property which was built before 1 January 1945⁶⁴ must have a fitness inspection conducted by the district council, unless it is exempt.⁶⁵ All private tenancies which are found on inspection to be unfit are registered and a controlled level of rent is determined. Also, if the landlord of a protected or statutory tenancy wishes to apply for an increase in rent, he must register the tenancy with the Rent Officer for Northern Ireland who decides the level of rent which can be charged. This should lead to an improvement in properties in the private rented sector since it is mainly older rented property that may be in a poor condition.

In relation to homelessness which '*Lifetime Opportunities*' says has 'increased markedly in recent years', the latest *Northern Ireland Housing Bulletin* (23 October 2007) shows that 4,924 households presented as homeless in the last quarter. While 'sharing breakdown or family dispute' was the most commonly cited reason, a high proportion of those who are registered as homeless are elderly. The reason for this

⁶² 'Margaret Ritchie outlines challenges following Draft Budget – 25 October 2007'.
www.dsdni.gov.uk/index/news_items/challenges-following-draft-budget.htm

⁶³ Review into Affordable Housing: Final Report (Spring 2007), DSD.
http://www.dsdni.gov.uk/affordable_housing_final.pdf

⁶⁴ Exemptions for such properties apply if: a Renovation Grant or HMO Grant was paid by NIHE within past 10 years, the dwelling is currently registered with NIHE as an HMO, a regulated rent certificate was issued by the district council within the last 10 years.

⁶⁵ Private Tenancies: A Guide for Private Landlords and Tenants in Northern Ireland DSD April 2007.
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is not that they have nowhere to live, but that the accommodation they have is no longer suitable to their needs, generally due to mobility problems.⁶⁶

4.8 Supporting People

The Supporting People programme was introduced in Northern Ireland in April 2003. It is a national programme to improve the planning, development and delivery of housing related support services to vulnerable people. The Northern Ireland Housing Executive administers the programme and has support services that allow 9,400 older people to live as independently as possible in their own homes. An older citizens' goal in '*Lifetime Opportunities*' is to by 'March 2010, improve the quality of life and independence of people in need so that 45% of all who require community support services are supported as necessary, in their own homes.'⁶⁷

The Review of Public Administration recommends transferring responsibility for the scheme from the Housing Executive to local councils, but this has been criticised by interest groups due to the success of the scheme as it is currently managed by the Housing Executive.

5.0 POLICY CONSIDERATIONS

Lifetime Opportunities was developed under direct rule and the recently published framework of 23 Public Service Agreements (PSAs) which accompanied the Draft Programme for Government and Draft Budget, however, contains the following action:

In line with Section 16 of the Northern Ireland St Andrews Agreement Act 2006 achieve agreement by the Northern Ireland Executive Committee, on the adoption of a strategy setting out how it proposes to tackle poverty, social exclusion and patterns of deprivation based on objective need.⁶⁸

An opportunity exists, therefore, to consider further the potential for the Department to adopt strategies and programmes which will reduce poverty. The remainder of this paper provides information to inform any such consideration.

5.1 Older Citizens

Research which was conducted recently by the the Institute for Fiscal Studies (IFS) and funded by Help the Aged and the Economic and Social Research Council, highlighted three ways in which pensioner poverty (defined in terms of median

⁶⁶ NIHE presentation at the Chartered Institute of Housing Conference, 3rd and 4th October 2007.

⁶⁷ 'Lifetime Opportunities: Government's Anti-Poverty and Social Inclusion Strategy for Northern Ireland' (November 2006) OFMDFM <http://www.ofmdfmi.gov.uk/antipovertyandsocialinclusion.pdf> (p.59)

⁶⁸ PSA 7 Objective 1 <http://www.pfgbudgetni.gov.uk/psaframework241007.pdf>

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income) could be reduced and eliminated. Based on the research, Help the Aged argued for:

- Linking the Basic State Pension to average earnings as soon as possible: UK wide 100,000 older people could be taken out of poverty if this were done in 2008 rather than 2012;
- Paying a full Basic State Pension to all older people: UK wide this would take half a million older people out of poverty and half a million out of deep poverty; it would also benefit at least 3.6 million women who have lost out on pension rights due to the past workings of the state pension system; and
- Ensuring that there is full take-up of means tested benefits by introducing a system of automatic payments: UK wide this would take half a million older people out of poverty and half a million out of deep poverty.⁶⁹

Parity means, in effect, that the Department cannot vary the amount of Basic State Pensioner or the rules on entitlement. The focus of the Department's work, therefore, must be to ensure full take-up of means tested benefits. Whilst progress has been made in terms of take-up of means tested benefits, such as Pension Credit, in the absence of automatic payments, the challenge now is to use innovative ways to overcome the barriers which may prevent further uptake. In the past, the Audit Office identified the following barriers to take-up of entitlements amongst pensioners.

Table 1: Barriers to take-up of means tested benefits

System	<p>Complexity of the overall system - including rules that vary between benefits and frequently change, and complex linkages between benefits</p> <p>Means testing - requiring pensioners to provide sensitive information about their income and capital in order to receive a benefit</p>
Administration	<p>Leaving the initiative to the pensioner to start the claim process - many pensioners assume they will be informed of entitlements</p> <p>Unresponsive or inaccessible channels of communication - the means of communication to obtain information or make a claim may not be appropriate for the client group</p> <p>Access to information and advice - many pensioners perceive information as difficult to obtain.</p>
Customer Level	<p>Ignorance of, and misconceptions about, the benefits available - many pensioners have little or no knowledge of benefits available, especially if they have had little contact with advice agencies</p>

⁶⁹ http://policy.helptheaged.org.uk/_policy/Poverty/_default.htm

	<p>Difficulty completing forms - some forms are time-consuming and difficult to complete and many pensioners assume the whole process will be difficult.</p> <p>Fear of stigma and humiliation - associated with the belief that benefits are "handouts"</p> <p>Fear of losing independence - claiming benefits is seen by some as being dependent on the state</p> <p>Perception that making a claim is not worth the effort - some make a judgement as to whether the expected gains are worth claiming for, given the assumptions about the arduous process.</p>
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Source: *"Tackling pensioner poverty: Encouraging take-up of entitlements"*⁷⁰

The framework of 23 Public Service Agreements (PSAs) which accompanied the draft Programme for Government and Draft Budget 2008-2011 set out the key outcomes and targets which the Executive hopes to achieve over the next three years.⁷¹ PSA 7 'Making Peoples' Lives Better: Drive a programme across Government to reduce poverty and address inequality and disadvantage' contains a target to:

Work towards the elimination of poverty in Northern Ireland by 2020 including lifting 67,000 children out of poverty by 2010.

Key actions relevant to the work of DSD and which are associated with this target are:

- Ensure that all benefit claimants receive benefit payment in line with accuracy and clearance targets;
- Continue the roll-out of the Benefit Uptake Strategy;
- Continue with modernising benefits and on how they are delivered to include Implementing the new Employment & Support Allowance Benefit from October 2008; and
- Implement a new operating model through the Pensions Transformation Project by 2010 and increase benefit uptake and improve customer service.

These actions are clearly aimed at increasing pensioner income and may impact upon the percentage of older people above the poverty line, measured as 60 % of median income. Help the Aged, however, warns that:

Measuring poverty against the 60 per cent of median income line runs the risk that the different experiences of individuals are lost. For instance,

⁷⁰ Report by The Comptroller and Auditor General HC 37 Session 2002-2003: 20 November, 2002 http://www.nao.org.uk/publications/nao_reports/02-03/020337.pdf

⁷¹ Draft Programme for Government, Draft Budget and PSA Framework available online <http://www.pfgbudgetni.gov.uk/>

someone who is disabled and living in a rural area may face much higher costs than someone in full health with services on their doorstep, and therefore the disabled country dweller may be managing worse on a low income than the able-bodied urban dweller. Equally, looking at the 60 per cent line does not reveal anything about the lives of those who live significantly below this level or just above it.⁷²

Whilst recognising the difficulty in coming up with a measure of poverty to reflect the diversity of people's experiences of low income, Help the Aged nonetheless has proposed that the Government introduced a threefold measure of poverty, made up of the percentages of:

- Pensioners living below 60 per cent of median income before housing costs, allowing for comparisons to be made in poverty levels over time and across different countries;
- Pensioners living persistently below 50 per cent of median income which would increase government focus on those living well below the poverty line in deep poverty; and
- Pensioners experiencing material deprivation where new questions would need to be included in government surveys, but would make it possible to capture some of the experiences of what it is to live in poverty.⁷³

Beyond those actions addressed specifically at lifting older citizens above the 60% median income, the PSA contains a number other key targets and actions relevant to the work of the Department. Also contained in PSA 7, Objective 4 aims to reduce levels of fuel poverty by implementing the recommendations in the Fuel Poverty Strategy published in 2007. The targets are to eradicate fuel poverty in all households by 2016 and eradicate fuel poverty in all vulnerable households by 2010.⁷⁴

5.2 Child Poverty

The principal measures to reduce child poverty, it has been suggested, can be divided into three categories:

- Policies to alter income levels directly through the tax and benefit system. The aim is to provide direct financial support to families, recognising the extra costs of children;

⁷² Pensioner Poverty: Help the Aged Policy Statement 2007 available online at <http://policy.helptheaged.org.uk/policy/Poverty/default.htm> (accessed Oct 2007)

⁷³ Defeating Pensioner Poverty (July 2007) Help the Aged available online at <http://policy.helptheaged.org.uk/policy/Poverty/default.htm> (accessed Oct 2007)

⁷⁴ <http://www.pfgbudgetni.gov.uk/psaframework241007.pdf> PSA 7, Objective 4.

- Policies to promote paid work. The aim is to ensure that parents have the help and incentives they need to find work. Paid work is seen as the best long-term route to financial independence for families; and
- Measures to tackle long-term disadvantage. Examples are policies which attempt to reduce the number of teenage pregnancies, support for parents of children aged under 5 in disadvantaged areas, attempts to raise basic standards of literacy and numeracy, and tackling school truancy and exclusions.⁷⁵

As with Pensioner Poverty, DSD has a key role to play in ensuring the uptake of benefits which provide support to families with children, such as Child Benefit, Child Tax Credits and Welfare to Work programmes. In addition, through its Neighbourhood Renewal Strategy and Housing programmes and responsibilities, the Department also has an opportunity to impact on long-term disadvantage and contribute to breaking the cycle of poverty.

In relation to child poverty and social exclusion, research into Severe Child Poverty in Northern Ireland has shown that:

Housing quality provides an environment-based indicator of social exclusion, which is clearly essential to a child's well-being. The problems with accommodation which the parents of severely poor children were most likely to report in the Poverty and Social Exclusion (NI) survey were a shortage of space (30 per cent), damp walls and floors (18 per cent) and rot in window frames or floors (17 per cent). A strong relationship was found between being poor and the likelihood of experiencing these accommodation problems.

The local environment in which children grow up is largely out of the control of their parents and yet this may have a major influence over their childhood experiences. Almost one in ten severely poor children in Northern Ireland live in an area viewed by their parents as a bad place to live, compared to one in 16 non-severely poor children and one in 100 non-poor children. The problems reported "as a major problem" in the area were the speed or volume of traffic (13 per cent), underage drinking (13 per cent), dog mess (12 per cent), teenagers hanging around on the streets (10 per cent), rubbish and litter (9 per cent), drunkenness (8 per cent), vandalism (8 per cent), vehicle theft (8 per cent), joy riding (7 per cent) and graffiti (6 per cent). These are all problems which affect the lives of children whether they are directly involved (e.g. underage drinking, joyriding) or at risk (e.g. speeding traffic, dog mess). Children

⁷⁵Sutherland H (2001) Reducing Child Poverty in Europe: What can static microsimulation models tell us? EUROMOD Working Paper No. EM5/01

<http://www.econ.cam.ac.uk/dae/mu/publications/em501.pdf> accessed October 2007

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who were severely poor were more likely to live in areas where these were reported as major problem than non-severely poor children or children who were not poor.⁷⁶

PSA 12 of Draft Programme for Government 2008-2012, 'Housing, Urban Regeneration and Community Development' aims to 'Promote decent, energy efficient, affordable housing and regenerate disadvantaged areas and towns and city centres, and support community development to create environments which enhance quality of life and contribute to well-being'. The following targets indicate the Departmental focus in relation to these issues. In line with targets outlined in PSAs 3, 9 and 11:

- Achieve measurable reductions in health, educational and employment differentials for those living in Neighbourhood Renewal Areas.
- By 2010 to have improved the physical environment and community facilities in Neighbourhood Renewal Areas in line with agreed priorities in Neighbourhood Renewal Area Plans.
- Match the supply of decent affordable energy efficient housing to the assessed level of housing need by 2011 Investment initiatives established for Social Housing Development Programme by 2011.
- Engage with the private sector to achieve developer contributions to affordable housing.⁷⁷

October 2007

⁷⁶ Monteith, M and McLaughlin, E (2005) Severe Child Poverty in Northern Ireland: Key Research Findings. Save the Children

http://www.savethechildren.org.uk/en/docs/NI_bottom_line.pdf

⁷⁷ <http://www.pfgbudgetni.gov.uk/psaframework241007.pdf> PSA 12

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