



Northern Ireland  
Assembly

Committee for Social Development

# OFFICIAL REPORT (Hansard)

Welfare Reform Bill: Briefing by Northern  
Ireland Welfare Reform Group

30 October 2012

# NORTHERN IRELAND ASSEMBLY

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**Members present for all or part of the proceedings:**

Mr Alex Maskey (Chairperson)  
Mr Mickey Brady (Deputy Chairperson)  
Ms Paula Bradley  
Ms Pam Brown  
Mr Gregory Campbell  
Mrs Judith Cochrane  
Mr Michael Copeland  
Mr Sammy Douglas  
Mr Mark Durkan  
Mr Fra McCann

**Witnesses:**

Ms Bernadette Magennis	Age NI
Ms Georgina Ryan-White	Law Centre NI
Ms Anne Moore	Save the Children

**The Chairperson:** You are all very welcome. Members, the Welfare Reform Group's submission is at tab 1 of your packs. Some further papers from the group arrived this morning, and those are in your tabled items. A full Bill folder is available for anybody who wants one. However, you should have a Bill folder for today's meeting in front of you.

Without further ado, if you do not mind, we will kick off with your presentation. The floor is yours. Thank you for making your submission and for being here this morning to further that.

**Ms Georgina Ryan-White (Law Centre NI):** First, I would like to thank you for having us here to present our views on the Welfare Reform Bill. The Welfare Reform Group is an umbrella group for organisations that have come together to campaign for positive and progressive changes to policy, service provision and legislation for those in receipt of social security. Joining me today are Anne Moore from Save the Children and Bernadette Magennis from Age NI.

Rather than going through our submission, we would like to highlight key issues that we believe require further examination. Those issues are the operational flexibility within the conditionality and sanctions regime, and the other welfare reform changes impacting on children and older people. If you have any particular questions about our submission or briefing paper, we will be more than happy to answer those.

We have chosen to talk about those areas today because we know that a number of our other members who have been or will be up over the next couple of days will be speaking on areas such as disability and housing. So we just felt that they were the most appropriate things to talk about today.

To begin, the Welfare Reform Group welcomed the Minister's announcement about the flexibilities in the way that universal credit will be paid. We believe that that is the culmination of the efforts of various key stakeholders, which have largely spoken with one voice on those issues. However, we are cautious because, although those flexibilities have been achieved, we still need to examine what other steps can be taken to protect households affected by the changes and to tailor the welfare reform agenda to Northern Ireland's specific circumstances. It is vital that the changes work in practice for Northern Ireland. Moving people into employment can be achieved only if the jobs are available here and if people have access to good and affordable childcare. However, neither of those ingredients apply locally. We, therefore, recommend that the Committee carefully scrutinises, for example, the underoccupation penalty in the public rented housing sector and possible exemptions from that measure for foster families, carers and prisoners. It also needs to look at the level of conditionality and sanctions proposed under the Welfare Reform Bill, and the lack of childcare provision.

The Northern Ireland Executive have set aside £20 million a year for a social protection fund. We believe that that could be utilised to widen the scope for exemptions to some of the more punitive measures under universal credit and the Welfare Reform Bill. We are not seeking an alternative social security system; rather, we are seeking one that is very much tailored to Northern Ireland and that will work in practice for the people here.

It proved rather difficult for us to respond to your call for evidence. As the Bill is an enabling Bill, it outlines the framework, but a lot of the detail is left to the regulations, for example, the rate of benefits; how the work requirements will work; what the earnings disregards will be; and the detailed rules on personal independence payments. In addition, it is becoming increasingly evident in Great Britain that there has been a shift to move information and detail into guidance and circulars. Therefore, we do not have a complete picture of what is happening at the moment. The more significant issues still have to be decided in Great Britain despite the fact that the Westminster Bill received Royal Assent in March. Those issues include, for example, how will transitional protection work; how will the arrangements for self-employed people work; how will they be treated; what is happening with passported benefits; etc? In effect, a lot of key issues still have to be decided in Great Britain, some of which go to the core purpose of the Welfare Reform Bill in respect of making work pay for claimants. Essentially, we are very much in a vacuum, and we cannot see the complete picture.

We are also concerned that many of the regulations governing critical parts of the Welfare Reform Bill will proceed through the confirmatory process, with scrutiny happening only after the regulations have been laid. Given that the Welfare Reform Bill is significantly enabling legislation, that is, in our view, very much a retrograde step. It is vital that there is a way to ensure that the guidance is also subject to scrutiny. The flexibility to do things differently in a Northern Ireland context lies in the detail of the regulations, so the scrutiny process must find a way of addressing where the scope for flexibilities lie. That is imperative. It is unlikely that, following the bedding-in period of the confirmatory procedure, there will be much scope to amend the legislation in the future. We, therefore, ask that the Committee ask the Department to provide a draft plan to include the timetable for publishing the regulations due to be made under the Bill.

I will briefly move on to the issue of conditionality and sanctions. Part 2 of the Bill makes provision for changes to the responsibilities for claimants of jobseeker's allowance (JSA) and employment support allowance (ESA), and subsequently universal credit, contributory ESA and contributory jobseeker's allowance. The aim of universal credit is to make work pay. Claimants are expected to do everything that can be reasonably expected of them to find work or to prepare for work in the future as a condition of receiving their benefit payment. The conditionality will be backed up by much tougher sanctions to ensure that people meet their responsibility. We appreciate that the Committee has asked for a lot more information from the Department, and we are very much looking forward to the publication of that information.

There are three main conditionality and sanction changes in the Bill. Four types of work requirements will be imposed on claimants: work-focused interviews; work preparation; work search; and work availability. There will be circumstances where there will be no work requirement, for example, if a woman has recently given birth. However, there will be a ramping up of the sanctions. Existing JSA sanctions, which can go up to 26 weeks and which apply to employment-related requirements, will be replaced with new provisions for sanctions on all work-related requirements of 13 weeks for a first

failure, 26 weeks for a second failure and three years for a third failure. The new sanctions regime applies to failure to apply for a particular vacancy without good reason, failure to take up an offer of work without good reason or leaving work through misconduct. Those periods will be covered in the regulations.

Medium-level sanctions can be imposed upon claimants subject to all work-related requirements. Those sanctions cover failures to undertake all reasonable work-search actions or failures, without good reason, to be available and willing to take up work. The sanctions anticipated are 28 days for the first failure, 13 weeks for a second and a subsequent failure within 52 weeks of the first failure.

The lower level of sanctions will apply to claimants subject to all work-related requirements, work preparation and work-focused interview requirements. The lower level sanctions include failure to undertake specified work action without good reason, failure to comply with a work preparation requirement without good reason, failure to comply with a requirement to provide evidence or confirm compliance without good reason and failure to comply with a work-focused interview requirement without good reason.

With all those sanctions and conditions, we would very much like to draw your attention to clause 22, which we fear is rather draconian. First, it provides that workers or jobseekers will be faced with all work-related requirements. This is provided for in schedule 1(7). This is clearly discriminatory, and is likely to be unlawful without any reasonable purpose. This is one area where we believe that there is scope to recognise that there needs to be a different approach taken in Northern Ireland.

Secondly, the clause also provides for all work requirements to be imposed on a claimant in work who earns below a specific threshold. This is a new approach. Claimants in part-time work on tax credits are currently not expected to seek work on top of their part-time commitments. It is not clear how that will work in practice, and the Committee should determine what approach should be taken in Northern Ireland.

The Department for Work and Pensions (DWP) has also signalled that most claimants will be expected to spend 35 hours a week looking or preparing for work. In practice, we cannot see how that is going to be maintained on an ongoing basis. While CVs can be updated regularly, employers written to and jobs and benefit offices visited, there will be a time or point in the process where there is nothing more that a claimant can do, other than perhaps wait for a response from a prospective employer. So we do not believe that continuing to spend 35 hours a week searching for work for a period of months is practical.

There will also be changes to the hardship regime. Claimants who are sanctioned can apply for and receive hardship payments if they can show that they or their dependants will suffer hardship in the absence of a benefit payment. The Welfare Reform Bill seeks to make hardship payments recoverable. At the Welfare Reform Group, we do not believe that hardship payments should be recoverable and we look for further investigation into that. We believe that the loss of a significant amount of benefit is a sufficient punishment without having to pay back additional money. There is evidence that sanctions do not necessarily work. Some 20% of claimants do not know that they have been sanctioned until after the event. So we believe that sanctions is an area for operational flexibilities could be put in place and the Department should be pressed hard on this issue to give specific undertakings.

Therefore, there are a few issues for the Committee to consider. They include whether the increased level of sanctions is proportionate, given the impact on the rest of the household, including children. We suggest that the increase is disproportionate and that sanctions of 13 weeks, 26 weeks, and three years are way too long. Regulations in Britain allow for only five working days for a claimant to establish good reason before the sanction is applied. If the penalty for non-compliance is increased, so too should the time allowed to provide a good reason. We suggest that that period is increased to 15 days; however, we are happy to discuss that with you further.

The Department for Work and Pensions has also increased some of the sanctions arrangements for JSA and employment and support allowance in advance to broadly align with universal credit. That seems rather unnecessary, because the apparent advantages of universal credit will not be available to those claimants in the interim period.

I pass you on now to my colleague Anne.

**Ms Anne Moore (Save the Children):** I am honoured to speak here today on behalf my colleagues in the Welfare Reform Group. The paper that I present to you and my notes are the result of collaboration with Mary Anne Webb of Barnardo's, Marie Cavanagh of Gingerbread and my colleague at Save the Children Dr Chelsea Marshall. I will speak in a wee bit more detail about clauses 13 to 25, which concern work-related requirements and sanctions.

Georgina talked about childcare, which I will not mention, except to say that we do not have the provision to make this work. It is also unclear, at this stage, how support for childcare costs would be included. You will all know that, at the moment, families spend about 45% of their income on childcare for one child, which is the highest amount in Europe. Until recently, low-income working families could claim support for up to 80% of childcare costs. That was cut to 70% in April 2011, so some families are already losing £1,500 a year, and some of our research shows that many low-income mothers are already leaving work because they cannot afford childcare.

As you know, lone parents are currently exempt from certain earlier welfare reforms that applied in the rest of the UK. For example, compared to every fortnight in GB, lone parents in Northern Ireland sign on for work-focused interviews every 13 weeks. I am sure that you will all have heard of the Jobseeker's Allowance (Lone Parents) (Availability for Work) Regulations (Northern Ireland) 2010, which provides a guarantee that lone parents who receive jobseeker's allowance and who have a youngest child of 12 or under have the right to restrict their availability for work to their children's school hours. The regulations augment other flexibilities, including the ability of lone parents to limit their availability for work to a minimum of 16 hours a week; to refuse a job or leave employment if childcare is not available; and there is also a requirement on personal advisers to take the well-being of any child into account when drawing up the jobseeker's agreement. The Welfare Reform Act (Northern Ireland) 2010 also requires the best interests of the child to be taken into account in Northern Ireland when the adviser is making a jobseeker's agreement.

When we look at the present Bill's proposals, we see that conditionality and sanctions are to be increased. For example, as Georgina said, a whole new world is opening up. At the moment, claimants in part-time work on tax credits are not expected to seek additional work. However, with the changes, it would appear that benefits would be cut for those in work if they do not meet an earnings threshold equal to minimum-wage rates for a 35-hour week. They will be expected to earn more from working extra hours, getting better pay or taking on an additional job. This at a time when hundreds are chasing every job, and those jobs are likely to be part time or zero contract hours for many people.

Moreover, this seems to run counter to last year's extension of childcare support to those working in short-hours jobs, when the coalition Government announced that universal credit would provide childcare funding for parents working fewer than 16 hours a week. Modelling done by Save the Children shows that universal credit would have negative impacts on work incentives for many low-income families, including lone parents working more than 16 hours a week and second earners. For example, a single parent who works full time for about the minimum wage and has two children will be as much as £2,500 a year worse off under the new system. So, for a start, we ask the Committee to seek clarification about these apparently contradictory provisions and proposals. Given this confusion, the lack of progress in childcare provision that we all know about and the lack of employment opportunities, those 2010 exemptions for lone parents should be retained and the new conditionality regime should not be applied here. The 2010 Welfare Reform Act's stipulation that the best interests of the child should be taken into account should be extended to the Bill and to carers in couple households. As Georgina mentioned, the Department for Social Development (DSD) could also cost the option of restoring that 10% cut in childcare budget by meeting the shortfall from the social protection fund.

I turn to the issue of housing. Apart from repeating what I think is a universal request for direct payments, the provision for which we welcome, we would like your support in seeking several exemptions. Social housing that is deemed underoccupied but has children living in it should be exempt from a reduction in housing benefit. Households with children should be exempt from moving to cheaper housing until it is clear that suitable properties are available in the 30th percentile of rents. In GB, it was advised that £30 million a year would be added to the discretionary housing benefit for foster carers and families with a disabled child, who have adapted properties and need extra space. We suggest mitigation through amendments to the Bill in subsequent regulations, rather than discretionary payment. Exemptions should also be considered for families with a child in short-term care. Non-resident parents should be exempt from the shared-room requirement because they may have informal access to their children, and, as you heard from the women's sector, that raises child protection concerns about visits to houses in multiple occupation.

We are all dreading the surge in requests from families for emergency help. As you know, the social fund has long provided a lifeline. I will not go into all of the details that are available about the amount from DSD research. It is shocking to learn that one of the eligibility criteria is the client's actual solvency. If you come for emergency help and are already in debt, you will be rejected at a time when we are expecting increased hardship and debt. We suggest that these criteria, as well as the payment amount and the need for a replacement appeals procedure, must be subject to your scrutiny.

We can provide a lot more detail on child maintenance, but we want to highlight the need to exempt parents with care responsibilities who are on benefits from the collection charges and we need to research the impact of charging on levels of child poverty. Victims of domestic violence have the right to be believed even they have not reported that domestic violence, and that should be reflected in the regulations.

You all know about the problems with medical assessments and the disability cuts. I draw your attention to findings that disabled children and children with disabled parents are more likely to be severely poor and at risk of persistent poverty. Those child poverty figures should be higher if the cost of disability were factored into counting households below average income. We reiterate the request from the Northern Ireland Commissioner for Children and Young People (NICCY) that an expert group should be set up to look into all of this.

Finally, it could be argued that welfare reform represents a misdiagnosis of the problem and that most of the solution to poverty and disadvantage is job creation. Decently paid work will reduce inequality. You will know about the need for an adequate work programme, and we highlight the strong correlation between child poverty and women's employment and income. I also remind you that work is not always the best route out of poverty, because approximately half of all children who are in poverty live in families where one parent is working. We suggest that the Executive must do considerably more to create decent, well-paid work and reduce the barriers to taking up work and training, such as the lack of proper childcare.

We have no need to remind you of section 75 and the duties under the UN Convention on the Rights of the Child (UNCRC) and the Child Poverty Act 2010, except to say that Departments should actively demonstrate how the decisions contribute to improving outcomes for children and ending child poverty by 2020. These decisions will include funding, such as the social protection fund, the discretionary support policy and other forthcoming decisions on passported benefits such as free school meals and rates relief.

The children's sector would like to leave you with a few key asks: to ensure provision of the impact assessment on child outcomes, as Georgina mentioned; to adopt the best principles of the child; to subject the changes to the social fund to serious scrutiny; to ensure exemptions from cuts in housing benefit and moving home for families with children; to retain the existing exemptions for mothers until childcare is properly sorted and clarify those contradictions; and, repeating what the other sectors have said, to designate the primary carer of children as the main applicant for universal credit; and to provide choice in the frequency of payment.

I will hand over now to Bernadette Magennis.

**Ms Bernadette Magennis (Age NI):** Good morning. I thank the Committee for giving Age NI the opportunity to present its views on how it feels that the implementation of the Welfare Reform Bill will impact on older people in Northern Ireland. Georgina, on behalf of the umbrella group, has gone over some concerns that we share. I want to look specifically at how the issues relate to older people and at the assessments on universal credit for mixed-age couples and the impact that that will have on reduced capital limits. I will look at sanctions and conditionality restrictions on occupancy and housing and at the impact of the personal independence payment (PIP) and the lack of clarity on disability living allowance (DLA). I will go through those in turn.

To provide some context, everyone here will be aware of the fact that 23% of older people in Northern Ireland live in poverty. Unlike the rest of the UK, England, Scotland and Wales, where it has stagnated, that figure continues to rise, as does the incidence of older people living in fuel poverty. Many of you will be aware of my background in fuel poverty, so it will be no surprise that I will throw at you some statistics on that. Northern Ireland has a higher-than-average rate of fuel poverty of 44%, but over 61% of older people live in fuel poverty. That increases with the age of people. Those figures are, again, on the rise. We in Age NI are extremely concerned about any issues that we

believe will worsen the already dire situation as regards the well-being and income levels of older people.

As I mentioned, our biggest concern about older people and welfare reform is the way in which mixed-age couples will be assessed. As members will be aware, under the current legislation, if one partner in a couple has reached the qualifying age in keeping with a woman's state pension age, which is currently 61, they are both assessed for pension credit. However, welfare reform will mean that, where one partner falls below that age threshold, both will be assessed under universal credit. We are extremely concerned about the impact that will have on the financial well-being of couples in that situation. A very basic example is that, under the current structure, for a couple aged 61 and 56, the income on pension credit would be £217.90 a week. If that same couple were assessed under universal credit, their income would be reduced by £102.45 a week to bring their income to £115.45 a week. That is very basic and does not take into account all the variables that could be in play, but it basically shows that a single person on pension credit would be better off under universal credit than a mixed-age couple. We are extremely concerned about that.

Another area of concern is the capital limit being imposed on universal credit of £16,000, with savings over £6,000 treated as £1 of income per £250 over the threshold. That will mean that, in future, those mixed-age couples with a low income who have over £16,000 and contain a younger partner will be excluded from pension credit because they will be assessed under universal credit. However, they will not be entitled to universal credit because of the savings that they have put together for their retirement. So, there will be a lot of pressure on couples of mixed age, particularly if the older person will no longer get the income that they now get while also having to support the younger partner. Basically, people will be penalised for having a younger partner. We do not feel that that is right.

Following a question asked recently in Westminster, it was revealed that approximately 15% of pension credit claimants in GB were couples where one partner was, at that stage, under the age of 60. We call on the Department to carry out a detailed analysis of the impact of treating mixed-age couples as being of working age for benefit purposes, including providing information about the numbers over time that that will affect, the circumstances of those affected and the changes in the overall level of financial support afforded to them.

Georgina mentioned claimant commitments and sanctions. First, in the absence of that detailed analysis, my comments are not based on any strict evidence. However, it is likely that the younger person in a mixed-age couple will be in their mid- to late-50s — certainly in their 50s. Research has shown that if people in that age group lose their job, they are the least likely to be able to re-enter the workforce before retirement. People in that age group may experience significant barriers to securing employment, such as long-term sickness or intermediate caring responsibilities for their older partner. For that reason, we believe that all necessary support should be given by advisers to assist that age group in re-entering the workforce and that a graded system of conditionality be applied to that group to reflect its circumstances.

An even larger concern about conditionality and sanctions is the impact that they will have if applied to the older person in the couple. That older, retired and often vulnerable person will basically lose out on their benefits and perhaps their sole income through absolutely no control of their own. We are very concerned about the impact that that will have on the income, health, well-being and quality of life of some of our most vulnerable. The needs of the older person in that situation should be taken specifically into consideration.

Housing is another issue of concern with mixed-age couples. Restrictions in the level of housing benefit will not apply to pensioners, but that is not the case if one partner falls below that threshold, and, if couples are assessed under universal credit, normal restrictions will apply. Older couples will often need occasional caring support and something in place if it is ongoing support, such as an extra room, not only for physical support but for social support and to reduce isolation from family. They may also need a separate bedroom if they have separate health needs. We feel that that needs to be taken into consideration in the circumstances. We would be keen to see the details of the proposals to be reassured that older people in mixed-age couples will not be adversely affected by the changes.

One final point that I would like to draw attention to is the concern raised by older people currently in receipt of DLA. The Bill states that a decision has yet to be taken on whether to reassess people over 65 who are currently on DLA. We have been contacted by many older people through the services and advice lines that we run, and they are extremely concerned that there is a vagueness around that. We would call for the over-65s to remain exempt from this reassessment, and the introduction of PIPs

should provide adequate support for disabled people over 50, again, falling into that category of older people.

You will have received a more detailed briefing from me, which, hopefully, you will have time to read later. If there is any additional information that you require, I will be happy to provide that. Thank you again for the opportunity this morning.

**Ms Ryan-White:** I will just finish off by drawing together everything that we have said in our presentation. We believe that it is vital that there is significant impact monitoring of the changes on vulnerable claimants from the outset. Unfortunately, that has not always happened in the past with changes. For example, with employment and support allowance, the number of sickness benefit claimants that have been found fit for employment was not monitored from the outset, despite that being one of the key aims of welfare reform and welfare change in the past.

Based on the points in our presentation, we suggest the Committee examine the following: the impact of increased sanctions on jobseekers, including whether that has a positive effect on employability and whether sanctions lead to increased demand for charitable support and advice; the impact of universal credit on claimants with disabilities or illness who are fit for work; the impact of universal credit on child poverty levels, given the commitment in the Child Poverty Act to end child poverty by 2020; and the impact monitoring of the direct and indirect consequences of the implementation of welfare reform, in recognition of the significant impact on the working-age population and the knock-on impact in other sectors increasing displaced expenditure.

I would like to thank you again for the opportunity to present to you today.

**The Chairperson:** Thank you for your presentations. I appreciate that you are focusing on certain areas. I will open up the discussion to members. You will be aware that, at some point, all members have identified very clearly with a lot of the issues that you have raised. Obviously, they will try to debate with yourselves some of the components of your submissions this morning.

**Mr Brady:** Thanks very much for your presentation. The thread running through the major submission that you put forward is the lack of knowledge about the regulations. I appreciate that it is very difficult to go into the detail because it is enabling legislation. You point that out very well in your submission. I have a few questions. You have all raised the issue of mixed-age couples. You talked about further explanation of those types of cases. Do you have anything specific in mind in relation to how those might be explored further? Bernie gave a very clear example of somebody losing £115 a week. That is a stark example of how people could be affected. Part of the difficulty about the regulations is the issue around passported benefits. Until they know if passported benefits are going to apply, particularly in relation to carers and disability, it is very difficult to come to any conclusions. Are you thinking specifically of looking at the types of cases that may be affected by lack of passported benefits as the regulations become clearer?

**Ms B Magennis:** As a starting point, we wanted to make sure that we found out the extent of the impact that this was going to have and how many couples would be affected, that is, how many are going to be over the age of 61 with a younger partner. How that is going to be gathered together is something that we have not been able to find out, or whether Her Majesty's Revenue and Customs (HMRC) or the Department will be able to gather statistics on that, and we need to know the impact of that over a period of time. We understand that it will be a difficult statistic to reach because there are other variables at play in respect of couples not staying together or bereavement. There will always be an ongoing impact. As a rule of thumb, however, we would like to find out how many this will affect as people move into the benefits system. Again, the lack of clarity around some of the information that we have makes it difficult. Some of those basic examples show the stark reality of the impact that it will have. From our perspective, all that we can see is that its impact on poverty levels will be to continue to make them increase.

**Mr Brady:** The work-related requirements have been mentioned, and most people find the work search based on a 35-hour week is unbelievable in some ways. There is also the claimant commitment, and if one person refuses to sign that, the suggestion is that the universal credit payment should be made to the person who does sign it and possibly to the children. Will you elaborate on that a wee bit? Would the prevailing economic conditions that you talked about also apply to the claimant commitment and work search requirements under universal credit? How do you envisage the prevailing economic conditions being monitored?



**Ms Ryan-White:** When I was here last week, you pointed out that Kilkeel jobcentre had five job vacancies —

**Mr Brady:** Yes; 446 applicants and nine jobs.

**Ms Ryan-White:** That would also be one of our concerns as well; there very much needs to be the work out there.

Getting back to the claimant commitment; we have suggested that the split payment of universal credit must be allowed. Along with that, it should be recognised that, in circumstances in which there is discord in a relationship or a breakdown or somebody does not wish to commit, there should be alternative means of allowing the partner who does commit to receive the payment and additional allowances for children, housing and suchlike. That would need to be worked out in the regulations, but we are looking for a commitment from the Department that it is happy to move forward on that and to work, perhaps with the voluntary and community sector organisations on relationship breakdowns, etc, towards finding a means of moving that forward.

**Mr Brady:** I have just two more questions. Your written submission states that there should be a statutory right to independent advice. Now, that would not cost anything in benefits or affect welfare reform, although it would put a huge burden on the independent advice sector. Has there been any in-depth discussion among your group and with the Department about how extra funding for that would be worked out?

**Ms Ryan-White:** There have been no official discussions by the Welfare Reform Group. I know that Advice NI is pushing that. The social fund policy specifically mentions increasing the role of the advice sector, and we would like to be key players in those discussions to ensure that there is not a negative impact on claimants. So, we are very willing to move into such discussions if the Department wishes.

**Mr Brady:** Finally, Bernie, you said that you were asking for the status quo to be maintained for people over 65 making the transition from DLA to PIP.

**Ms B Magennis:** Yes.

**Mr Brady:** So really, people who qualified before becoming 65 should not have to be reassessed, but, again, I presume that that will depend on the regulations.

**Ms B Magennis:** Absolutely.

**Mr Brady:** The same applies to the cap, because none of that is known. Under regulations, it is possible that PIP may set out two-, three- and five-year reassessments but we do not know about the over-65s.

**Ms B Magennis:** Our request is two-fold. We want people with mobility requirements to have those carried through after they turn 65, which the Bill does not specify. It states that, at the moment, people over 65 on DLA will not be reassessed, and we are looking for a commitment that that reassessment will not take place and that people who are currently in that situation will continue to access DLA.

**Mr Brady:** Finally, I forgot to make a point about the sanctions and the guidelines. The guidelines are going to be so important, and we have asked the Department about them in relation to the imposition or otherwise of sanctions. Have you any idea or has there, from your perspective, been any discussion with the Department about having input into those guidelines or is that being done purely in-house?

**Ms Ryan-White:** We have not had any discussions. As we mentioned, we would like a timetable for the regulations and guidance. We would like the Committee to have the opportunity to scrutinise that and to feed into that process.

**Ms Moore:** Negative and confirmatory resolution have been mentioned. Is there any possibility of getting affirmative resolution so that you could have more say?

**Mr Brady:** You covered that in your submission.

**Mr F McCann:** Thank you for the presentation. It was fairly extensive, and a lot of other material is contained in the written submission. We have been dealing with quite a lot of different groups, and most have been singing from the same hymn sheet. There is quite a lot of concern out there. Clause 42 deals with pilot schemes. Do you think that a separate pilot scheme should be launched here? In the past, the Committee, when discussing the local housing allowance, raised the issue of relying on information that was coming from the south of England or the north of England to implement changes here. Do you think that there should be a separate pilot scheme on the Bill or elements of it?

**Ms Moore:** Yes, we all think that. There are so many things that need to be ironed out, and there are so many contradictions. We have a bit more time to 2014, and we need to look at the IT problems. I heard on the radio this morning that employers are up in arms because many of them did not know about this switch to real time. Instead of giving information every year about employees, it will be every week, and they do not know anything about it. Obviously, they will need a communication strategy as well as the rest of us. Also, with all of those regulations and the appropriate type of resolutions, it will be very important to get a pilot here, given the unique circumstances in Northern Ireland with disability and so on. It would be vital.

**Ms Ryan-White:** Our first preference is that a pilot scheme be introduced here. We mentioned in our submission that, if we cannot have a pilot scheme, the Department should take on board any learning experiences from across the water and publish a Northern Ireland-specific report and identify any problems encountered over there that might impact on Northern Ireland-specific issues so that there is a process of addressing those issues. That is our second choice, and we would like to see a pilot scheme run here.

**Mr F McCann:** There are groups, which are trying to tackle the difficulties in the Bill, that are under your umbrella and, equally, there are other groups that also have concerns about the Bill. Has there been any attempt to pull everyone together to try to deal with it as one umbrella group right across the North? There are groups that deal with mental health and some that deal with homelessness. Is it not better to look at one approach for how the Bill could be dealt with?

**Ms Ryan-White:** The Welfare Reform Group has an open-door policy. Our membership has quadrupled in the past six months. The unions have come on board with us, and we have had requests from Housing associations to join. There is a collective feeling and organisation. We know that the Churches and the unions were with you yesterday, and we are singing from the same hymn sheet and collectively working together.

**Mr F McCann:** You have advocated that safeguards should be put in place so that people with mental health difficulties, learning difficulties and literacy problems and people whose first language is not English are not sanctioned. Have you given any consideration to how that would work in practice? Do you see that being dealt with in the Bill, or do you see it being placed in the regulations?

**Ms Ryan-White:** We see it more in the regulations on the front line delivery of things. DWP is suggesting making home visits to people with mental health issues. We will very much look to GB to see what they do. We will take the good points from there and come up with some ideas on what can be delivered here in Northern Ireland and what is achievable within the funding restrictions.

**Mr Campbell:** Your submission is very comprehensive. I want to follow up on the issue about potential home visits, and I noticed that you made it in your written submission. Given the diversity of groups under your umbrella, is it your view that, on a pro-rata basis, there is a greater preponderance of those with mental health and learning disability issues in Northern Ireland? I assume that that is the case, but can you confirm that, from your experience, you think that is the case?

**Ms Ryan-White:** There is a higher incidence of mental health problems here, and there is evidence to prove that. The report from the Centre for Social Justice confirms that, and there are mental health issues overflowing from the Troubles. We have mental health organisations in our group, and we know that they will be with you tomorrow. We felt that they would be best placed to speak on mental health issues and disabilities. We have left it there, hoping that you will ask them further questions and speak in depth with them.

Collectively, we agree that there should be home visits, transitional safeguards and allowances for people with mental health problems, especially given the increased conditionality and sanctions. That

will ensure that they understand what is expected of them and what rights they have to ensure their safety.

**Mr Campbell:** What I am really getting at is, if it the case — as it appears to be — that there is a greater preponderance of that type of issue in Northern Ireland for the reasons you suggested, that would indicate that there needs to be a greater resource in Northern Ireland to facilitate home visits, which will be more numerous, on a pro-rata basis, than in England and Wales. Is that correct?

**Ms Ryan-White:** Yes. That is what we envisage.

**Mr Campbell:** I presume that the resources would have to be increased to meet that demand.

**Ms Ryan-White:** Yes.

**Mr Campbell:** I was also interested in what Bernadette said about a couple possibly losing up to £100 a week.

**Ms B Magennis:** That is based on the current information we have. Obviously, there will be changes to that.

**Mr Campbell:** That is what I was coming to. That is, obviously, pretty stark.

**Ms B Magennis:** Yes.

**Mr Campbell:** Would it be possible to facilitate the Committee to go back to the Department? I know that it is difficult, because every individual's circumstance is different, but could you supply us with, say, four or five typical — I know it is very difficult to get a typical, possible universal credit claimant — or four or five different categories of potential claimants that we would hope would comprise the vast majority of potential claimants? We could put those cases to the Department and ask it what they are getting now and what they would get under the new regime. That will allow us to try and flesh out what you have said, so that, in each of those categories, we could see whether they will be better or worse off. If they are worse off, we could see by how much and how we can remedy that. Do you think that that is a good idea?

**Ms B Magennis:** We do, and we are happy to provide information. Age NI has an advice line, and our workers work across the all the issues. I have a dedicated policy link with someone who deals specifically with poverty, and I know that there is no such thing as a typical claimant, because there are so many different variables. We hoped to bring together a case study for you today to illustrate all the different issues. However, the variables were so immense that it was impossible to say what was representative of a certain percentage. We can certainly draw out examples and provide them, but we could not say, with any certainty, what percentage those cases would reflect. There are so many different variables at play.

**Mr Campbell:** The point I am making is that an individual or group could identify the type of person that might represent, say, 0.5% of potential claimants. Whereas, if it were possible to get the vast bulk of potential claimants in four or five categories, that would, at least, give us an idea of where this is leading us. I fully understand the complexities. You would probably need 150 different categories, and that is just not realisable. However, if it were possible to get four, five or six potential universal credit applicants and information on what they currently receive, and compare that with what they will potentially receive, that would at least give us an idea of the general drift. We could then see what the departmental response would be to that. Would you be able to give us that?

**Ms B Magennis:** We are happy to draw that information. However, as I said, we could not say that it was totally representative.

**Mr Campbell:** I understand that. Thanks.

**Ms Moore:** Gregory, I can point you to research that Save the Children did in London. It commissioned research to ensure that universal credit would support working mothers, and the research found that, as we all know, second earners, who are mostly women, are going to lose out. It also found that part-time-working women who are lone parents and who work over 16 hours would

lose £2,500 a year. The reason for that was because Iain Duncan Smith apparently did not get enough money for the reforms. We were asking you to lobby for the additional money to make it work. I am happy to pass those worked-up examples to you.

**Mr Douglas:** Thanks very much for your presentation. Clause 52 deals with the contributory allowance. Almost every submission to date has raised concerns about the limit. You have suggested amending or not implementing that clause. Bernadette, you mentioned those who are under 50 or 55. How did you come to that figure? Is it arbitrary?

**Ms Ryan-White:** No. We looked at the figures that were produced by DWP. The age group that will be affected most significantly by the changes to ESA will be those aged 50 and over — I think that 48% of the claimants who will be affected by the changes will be 50 and over. We very much want to mitigate that impact.

**Mr Douglas:** Thanks, Georgina. Clause 69 deals with the size criteria and the notion of underoccupancy. Last week, the Housing Executive told us that it just does not have the housing stock to relocate all those tenants. You suggested possible alternatives, including opposing the clause in its entirety. Do you have a preferred option or approach?

**Ms Ryan-White:** Our preferred approach would be to oppose it completely. We are aware that there are Treasury constraints, and so on. If that is not possible, we have given other, alternative suggestions that have the best interests of claimants at heart.

**Mr Douglas:** It has also been suggested that we amend the clause so that it would not be applied until there is sufficient housing stock. How would you feel about that?

**Ms Ryan-White:** Having spoken to the Housing Executive, we know that that might take a good number of years — perhaps 10 years. We would be happy if that happened.

**Mr Douglas:** Plan B?

**Ms Ryan-White:** Yes.

**Mr Copeland:** Thank you for your illuminating presentation. Each of you represents organisations that have come together in a bigger organisation, but it is you, as Age NI, the Law Centre and Save the Children, to whom I wish to address my question. It is a very simple question, but the answer could be rather complex. Should the legislation be enacted in its current form? What is your single biggest fear for the group that you particularly specialise in? Is there a hierarchy of concern? Is there something at the pinnacle of it? If so, what is it?

**Ms B Magennis:** As you can see from my presentation, apart from the personal independence payment, everything sits under our concern about treating a couple with one person who is of pension age as a mixed-age couple. That is our biggest concern. We can only see it impacting on poverty levels that are already the highest in the UK. That financial impact is our biggest concern.

**Ms Moore:** We are the same. It is anticipated that, because of the accumulation of these cuts, the recession, unemployment and budget cuts, child poverty will increase to 34% by 2020, instead of being cut.

**Mr Copeland:** As a direct consequence of this legislation.

**Ms Moore:** Yes, it will contribute. It is not helping. I know that all the Departments are working together to produce a child poverty outcomes model as an outworking of the Child Poverty Act 2010. All legislation, proposals and funding decisions should be considered in this light: how will they contribute to ending child poverty? The proposals need to be looked at through the lens of the obligation to end child poverty and to realise children's rights in the best interests of the child.

**Mr Copeland:** From our point of view, we are seeing one side of the scale.

**Ms Moore:** Yes.

**Mr Copeland:** I have deep reservations about the lack of availability of the regulations within a time frame that allows you to judge how they will affect the legislation. Following your logic, we also need to know what countermeasures may be put in place to redress the balance.

**Ms Ryan-White:** The Law Centre covers a lot of areas of law. Our client groups will have issues with mental health, social security, community care, immigration, and so on. Our interest lies in almost every part of the Bill. We would like to see it tailored as much as possible to Northern Ireland's specific circumstances. We believe that the Committee should have the time to scrutinise the regulations. Appropriate time should be given for debate and to examine, as far as possible, what can be done by way of a Northern Ireland-specific approach. I could not put one issue ahead of another. They are all very important, are connected and will impact on every working-age member of the population.

**Mr F McCann:** The Minister said a while ago that there is an objective to take 10,000 children out of poverty. That cannot be done with the introduction of welfare reform.

**Ms Moore:** Universal credit, in its initial design, was meant to get more people into work and to make work pay. However, our research has found that it is not working. Not enough money was put into universal credit in the first place. Then, of course, the work is not available, given the recession and the huge increase in unemployment. We suggest that, on the other side of the equation, there should be a real focus on job creation and decently paid work — pay above the living wage. The fact that around half the children in poverty are from families who already have a job, and that situation is getting worse, shows that there must be a focus on decently paid work. Then there is all the important support that needs to go into that, such as childcare, transport, qualifications, skills, early intervention, equality — you could start me on a rant.

**Mr F McCann:** We will leave that to some other time.

**Ms Moore:** Yes. *[Laughter.]*

**Mr F McCann:** My other question — it has not been touched on and I cannot see it anywhere in the document — concerns the introduction of the financial sector and financial advisers being brought in to give advice. I have to say that I find it a bit insulting that an adviser will be brought in to advise somebody on how to spend £240 a month. People have to open bank accounts, so there is the possibility of incurring bank charges, which will reduce the amount of money available to them. Have you done anything on that? I do not know whether it is already in existence in England. I picked it up from the departmental briefing.

**Ms Ryan-White:** No, but we can look into that and get back to you.

**The Chairperson:** There is a suggestion that the Government — I use their language, not mine — would be minded to examine banking products that could assist people who are receiving benefit payments under universal credit and that some financial institutions could be encouraged or subsidised to come in to help people to manage their budget. That is the argument for it.

**Mr F McCann:** The Minister said in the Assembly last week that he was talking to a number of financial institutions about those banking products.

**The Chairperson:** I know that David Freud mentioned it at a meeting last week also.

You are not aware of it at this time. We make it very clear that it is a discussion rather than a proposal.

**Mr Durkan:** Thank you for the presentation. Bernadette, I was particularly interested in your focus on mixed-age couples. I have raised questions about that in Committee previously. You and Committee members have referred to the financial implications for mixed-age couples. However, with financial implications come other even more serious implications. You referred to the fact that people would be better off as singles than as couples. Do you believe that that could lead to more couples separating at that late stage of their lives?

**Ms B Magennis:** Obviously, I cannot answer that categorically. However, I know that Age UK did research that found that it would put undue pressure on relationships. How that pressure will manifest

itself will obviously be an individual issue. However, the concern is that older people would be better off living on their own than being assessed as a couple under universal credit. That is the bare reality of it.

**Mr Durkan:** We will have the Equality Commission in later. Do you see a clear equality issue here?

**Ms B Magennis:** We are certainly concerned. Pensioners are not of working age and therefore do not have any control over the issue. They will be subject to the sanctions and commitments, but they will not actually be the person signing up to those. They will be subject to the imposition of the commitments, but they will not actually have any control over it. They will not be in a position to increase their income, because they are beyond working age. That is a huge concern for us.

**Mr Durkan:** The issue that I have always raised is that a couple will not be exempt from the underoccupancy element of the legislation if one is still of working age.

**Ms B Magennis:** That is right.

**Mr Brady:** Gregory raised the issue of the incidence of mental health problems, people being visited by DWP in Britain and the possibility of that happening here. Going back a number of years, social security offices had a pool of visiting officers who built up a kind of rapport with the clients whom they dealt with. They were, to a large extent, accepted in the community as being sympathetic, knowledgeable or whatever. If the intention is to have visiting officers go out from social security offices, surely there has to be an expertise involved. We have been talking for five or six years about the expertise needed to interview or deal with people who have specific types of mental health problems. It is about not just the resources that are available but the expertise and training that those people require.

I have a question for Anne and Save the Children. Child protection is paramount, but the issue for a lot of lone parents with the working tax credit is that children need to be looked after by a registered childminder. That is a social services child protection issue. Has any thought been given to the fact there will be the same childcare element under universal credit, even though it is going down from 80% to 70%? That is a big factor for lone parents because of the lack of childcare. Has any thought been given to a family member who looks after a child having to go through the protection of children and vulnerable adults (POCVA) assessments. That is done through very formal and rigorous vetting. A change there might go some way to helping lone parents, given the lack of childcare. There are plenty of crèches, but they are extremely expensive. Registered childminders are also expensive.

Your submission states that 390,000 young people will lose youth incapacity benefit. That does not seem a huge figure, but these are youngsters, a lot of whom have learning disabilities, who will be penalised and brought into the larger workforce pool. There is nothing there for them, and it is highly unlikely that there will be in the foreseeable future. Those may be youngsters who are also in receipt of DLA and possibly will be in receipt of PIP. How will they cope in general terms? That figure, which is quoted a couple of times, does not seem inordinately large even for the Assembly to deal with. What are your thoughts on that?

**Ms Ryan-White:** I will pick up on the issue of ESA. The cost is very little in comparison with the impact that it will have on claimants' lives and what it can give to them by way of support. The social protection fund is where you could look for that money.

If we did that in Northern Ireland, we would be putting our own stamp on welfare reform, by making sure that it provides for those most in need and meets the aim of supporting the most vulnerable in society. That is where we think that there is good flexibility.

**Mr Brady:** It affects almost 3,000 young people at the moment. That is a fair number.

**Ms Ryan-White:** I saw that you talked to the Department about that and asked it for figures. I have also been in contact with the Department looking for figures. It does not have the figures in the equality impact assessment (EQIA), and is looking to DWP for them. We are very keen to get the figures as soon as possible so that real costings can be done and this can be moved on as soon as possible.

**Ms Moore:** On the issue of childcare, I know some of the Department for Employment and Learning (DEL) programmes made provision for exemptions for grandparents. I see no reason why that should not be provided. The childcare strategy has still not been prepared and put out for consultation. That should consider those kinds of areas. Given the importance of the early years, from nought to six, and because of how the childcare and early years strategies will work together, not only for allowing women into work but for child development, we should be aiming for long-term universal childcare provision. All of that needs to be on the table. I think that that would be useful in the interim.

**Mr Brady:** Obviously there would have to be liaison with the Health Department, because it is a social services issue.

The reality is that there is a lack of registered childminders and affordable childcare. Mothers, aunts, sisters, and so on, are providing that, and that it is likely to continue because it is what has happened traditionally and historically in the North. It is likely to be a long-term thing. I have spoken to people who are looking after children for relatives, and they do not have any particular problem with registering. However, they have a difficulty with having to look after another child who is not related to them. They are just not going to be involved, because they will not take on the responsibility. That is part of the issue, and it needs addressed — you are right — probably in the short term but possibly in the longer term to some degree.

**Ms Moore:** That is where the linkages need to be made. What would happen if grandparents or other relations became involved and then, because they have homes that are underoccupied, had to move out of the area? All of this has a knock-on effect. I think that all those displaced costs should be looked at as well.

**Mr Brady:** To use that hackneyed phrase, it is all inextricably linked.

**Ms Moore:** Yes.

**The Chairperson:** No other members are looking to come in. I think that we have covered a fair amount of ground, so thank you. Unless you have anything else that you want to put to the Committee, I want formally to say again that we very much appreciate your written submission and your very illuminating contribution this morning. There were a lot of questions and answers. This session has been very helpful, as I am sure that all members will agree.

For the record, as part of the legislative process, the Committee is due to complete its report on the Committee Stage on the 27th of this month, and the legislation will continue through the Assembly into early next year.

**Mr Campbell:** Next month.

**The Chairperson:** We are still in October, so it will be November. Sorry, we are well past the 27th of this month, so it will be 27 November. As I said, the legislation will continue through the Assembly into early next year.

In tandem with that, over the past number of months, the Executive, with the help of a ministerial subcommittee, have been looking at issues around passported benefits, and so on and so forth. Therefore, the Executive have been looking at the matter, and they will consider whether to deal with the social protection fund amendments, which Georgina referred to earlier. There are ongoing parallel discussions on the preparations for the legislation. Obviously that is appropriate, because an awful lot of complex issues need to be addressed. The Committee is in the midst of its evidence-gathering sessions. By the end, we will have received something like 40 written submissions and more than 20 oral submissions. Many of the latter will be from coalition organisations. There is a lot of stakeholder engagement, and rightly so, given the complexities of the Bill and, naturally, the widespread interest in it.

We are very appreciative of your assistance to the Committee. That has allowed us to further deliberate on and consider all the issues. Thank you for your support, which allows us to do our work on scrutinising the Bill. We will be scrutinising it clause by clause in due course. No doubt we will meet you again in a variety of formats.

**Ms Ryan-White:** Thank you.