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Social Sector Size Criteria ('bedroom tax') mitigation in Northern Ireland – a timeline of key developments

Eleanor Murphy

Introduction

The '[New Decade, New Approach](#)' deal outlined a commitment that the *“Executive will extend existing welfare mitigation measures beyond 2020, when they are currently due to expire”*¹. On 3 February 2020, the new Minister for Communities, Deirdre Hargey MLA, [announced](#) her plans for the extension of welfare mitigations in relation to the **Social Sector Size Criteria** (commonly referred to as the '**bedroom tax**') beyond the March 2020 deadline². The Minister has indicated that mitigation measures will be implemented via new primary legislation, and given the urgency to these mitigations, has outlined her intention to seek accelerated passage of the Bill through the Assembly. The Minister has also indicated that the new legislation would not contain a date on which this particular mitigation measure would come to an end (see [Official Report](#) of the Minister's Briefing to the Committee for Communities on 13 February 2020)³. The legislation will apply to Social Sector Size Criteria

¹ Northern Ireland Office. New Decade, New Approach. January 2020. www.gov.uk/government/news/deal-to-see-restored-government-in-northern-ireland-tomorrow

² Department for Communities. New Release. 'Minister announces extension of protections from bedroom tax'. 3 February 2020. www.communities-ni.gov.uk/news/minister-announces-extension-protections-bedroom-tax

³ Northern Ireland Assembly. Official Report Minutes of Evidence. Committee for Communities. 13 February 2020. <http://aims.niassembly.gov.uk/officialreport/minutesofevidencereport.aspx?AgendaId=21300&evidID=11564>

mitigation only. However, the Minister has stated that she is mindful that there are “*other mitigations which need to be looked at as we review the mitigation measures we committed to in ‘New Decade, New Approach’*” and has stated that she will continue to work with stakeholders in moving forward this important piece of work.

What is the Social Sector Size Criteria?

The Social Sector Size Criteria (or ‘**bedroom tax**’) is just one of a series of welfare reform measures introduced by successive UK Governments over the past decade. The Social Sector Size Criteria affects Housing Executive and Housing Association tenants, aged between 16 and State Pension age, who receive Housing Benefit or Universal Credit. If a household is assessed as having one or more extra bedrooms in excess of what the household requires, the amount of Housing Benefit or housing element of Universal Credit, a claimant receives will be reduced by:

- 14% if they have one extra bedroom; or
- 25% if they have two or more extra bedrooms.

There are a number of circumstances in which a claimant may not be subject to the ‘Bedroom Tax’ (e.g. those living in supported or temporary accommodation) and also circumstances in which a household will be permitted an extra bedroom without being penalised (e.g. a couple who cannot share a bedroom because of a disability or medical condition may be allowed an extra bedroom). Further information explaining how the Social Sector Size Criteria works is available on both the [NI Direct](#) website and the [Housing Rights ‘Housing Advice for NI’](#) website.

What are Welfare Supplementary Payments (WSP)?

For those social housing tenants who are found to be under-occupying their properties, an appropriate percentage reduction will be made to their eligible rent when calculating entitlement to Housing Benefit or the housing element of Universal Credit. However, most households impacted by the Social Sector Size Criteria in Northern Ireland receive a [Welfare Supplementary Payment \(WSP\)](#), negotiated under the [Fresh Start Agreement](#), which will be equivalent to the actual reduction in benefit entitlement (up until 31 March 2020).

However, Welfare Supplementary Payments in respect of the bedroom tax will cease if a claimant moves/transfers property and continues to under-occupy that property by at least the same number of bedrooms (where the move/transfer has not been granted under ‘Management Transfer Status’). Research commissioned by the Northern Ireland Housing Executive on the ‘[Impacts of Social Sector Size Criteria](#)’ (September 2019) assessed the impact on tenants who had lost Welfare Supplementary Payments in this way. The research highlighted that there was very little understanding amongst tenants that mitigation payments were in place or the circumstances under which those payments could end and many expressed concern about the affordability of their rent and the accumulation of rent arrears.

The Minister for Communities has recently [signalled her intention](#) to close this 'loophole' to ensure that Welfare Supplementary Payments continue for such claimants.

Social Sector Size Criteria – how many claimants in Northern Ireland are in receipt of a Welfare Supplementary Payment?

- A press release by the Department for Communities states that there are around **38,000 households** in receipt of Welfare Supplementary Payments protecting them from the 'bedroom tax'.
- A DfC review of the welfare mitigations schemes highlighted that the average expenditure for the Social Sector Size Criteria Welfare Supplementary Payment was £1.7 million per four-week payment period (which equated to **£22.1m per year**, with an **average of £12.50 per week for each claimant**). *This figure may have increased since the Review was completed in March 2019.*
- During the period 1 April to 30 September 2019 a total of **56 Welfare Supplementary Payments came to an end** as a result of a claimant moving to another property and continuing to occupy by at least the same number of bedrooms (and was not a move under "Management Transfer Status"). Between 1 October 2018 and 31 March 2019, a total of **39 Welfare Supplementary Payments** had come to an end.

Sources:

- Department for Communities. [News Release](#). 'Minister announces extension of protections from bedroom tax'. 3 February 2020.
- Department for Communities. [Review of Welfare Mitigation Schemes](#). March 2019.
- Department for Communities. [Social Size Criteria: Welfare Supplementary Payments](#). October 2019.

The Social Sector Size Criteria was introduced in Northern Ireland in February 2017. The 'bedroom tax' was undoubtedly one of the most controversial aspects of the welfare reform programme across the UK. Recent [research](#) commissioned by the Housing Executive demonstrates that if it were not mitigation measures, the Social Sector Size Criteria would have had a significant impact on households in Northern Ireland. This is due to a number of factors, perhaps most significantly there is currently a lack of suitable housing stock in Northern Ireland to fully accommodate the policy intention behind the Social Sector Size Criteria. Even if households were willing to move properties and disengage from their support systems and communities, [research](#) maintains that there is a mismatch between the type of stock available and that which is likely to be required by housing applicants:

"The majority of both Housing Executive dwellings (88%) and self-contained housing association stock (68%) have two or more bedrooms; this means that less than one-fifth (18%) of the entire self-contained social stock has only one bedroom. However, single (working age) applicants consistently account for almost half (45%) of the waiting list and a similar

proportion of allocations each year...Even if an ample supply of suitably-sized dwellings were available, the time that would be required to facilitate tenants moving to new properties is too lengthy to be completed before mitigation ends in March 2020”

However, there are many other factors that would compound the impact of the bedroom tax in Northern Ireland had mitigations not been put into place. For example, a significant proportion of social housing in Northern Ireland is situated in areas that remain geographically divided along religious/political lines which in turn makes mobility very difficult. This is a situation that is not reflected in most other parts of the UK.

Many sectoral organisations and representative organisations, such as the [Northern Ireland Federation of Housing Associations \(NIFHA\)](#); the [Chartered Institute of Housing \(NI\)](#); [Housing Rights](#) and the [Cliff Edge Coalition NI](#) have welcomed the commitment in the ‘New Decade, New Approach’ deal to extend mitigation measures beyond March 2020. There is consensus that not only will this protect some of the most vulnerable households in NI society, but would also assist in preventing a destabilisation of social housing in Northern Ireland by stemming the accumulation of significant rent arrears that may have otherwise result if the bedroom tax had not been mitigated.

Other mitigations beyond March 2020?

This short briefing is focused solely on Social Sector Size Criteria mitigations. However, other mitigation measures are due to end in March 2020 and there are conversations ongoing as to what a new mitigations package will look like and the financial package that the NI Executive will be able to allocate within the context of other priorities outlined in the ‘New Decade, New Approach’ deal. Recent reports published by the Advice NI, Law Centre (NI) and Housing Rights ([‘Welfare Reform: Mitigations on a Cliff Edge’](#) – November 2018) and the Northern Ireland Human Rights Commission ([‘Cumulative impact assessment of tax and social security reforms in Northern Ireland’](#) – November 2019) outline a number of options for the design of a package of mitigation measures beyond March 2020 e.g. mitigation to off-set the two child limit to tax credit/Universal Credit.

The future of mitigation beyond March 2020 was discussed at the Committee for Communities meeting on Thursday 20 February. The Committee took briefings from the **Department for Communities**; the **Mitigations Working Party (Prof Evason and Kevin Higgins)**; and the **Cliff Edge Coalition** – proceedings can be viewed at <https://niassembly.tv/committee-for-communities-20-feb-2020/>

Social Sector Size Criteria – a timeline of some key developments

This section outlines briefly some of the key developments and documents relating to the Social Sector Size Criteria. It is not intended to be fully comprehensive rather to provide some policy context as well as links to papers that provide further useful information on this issue:

- Oct 2010** Plans to reform Housing Benefit, including a social size criteria for social housing tenants, are embedded within the [2010 Spending Review](#). The Review states that in order to address criticism that Housing Benefit is excessively generous the *“Government will remove payments that trap benefit claimants in poverty instead of providing incentives to work”*. This will include ***“restricting Housing Benefit for working age claimants in the social rented sector who are occupying a larger property than their household size warrants”***. Powers to allow the application of the Social Sector Size Criteria to Housing Benefit claimants in England, Wales and Scotland are included within the GB Welfare Reform Act 2012 which was introduced in the House of Commons in February 2011 and received Royal Assent in March 2012.
- Oct 2012** The Northern Ireland [Welfare Reform Bill](#) is introduced in the NI Assembly. The Bill contains provisions similar to those contained within the GB Welfare Reform Act 2012 including provisions for the Department to bring forward regulations to introduce a size criteria into the calculation of Housing Benefit for working age tenants in the social housing sector. The Bill also contained provisions to introduce Universal Credit and Personal Independence Payment. The passage of the Bill is protracted and fraught with disagreement reflecting the concern over its impact on Northern Ireland.
- April 2013** The Social Sector Size Criteria is **implemented in England, Wales and Scotland** (using powers contained with the GB Welfare Reform Act 2012). It is *not* implemented in Northern Ireland given that social security is largely a devolved matter. The Scottish Government would later opt to fully mitigate the bedroom tax through Discretionary Housing Payment funding. Three years later with the passage of the [Scotland Act 2016](#), the Scottish Government announces its intention to abolish the bedroom tax for those on Universal Credit using its new powers under the 2016 Act. The Scottish Government remain in [negotiations](#) with the UK Government on this issue.
- May 2015** The Welfare Reform Bill (Northern Ireland) **fails to pass** its final stage in the NI Assembly.
- Nov 2015** After weeks of intensive cross party talks at Stormont House, the Northern Ireland Executive and UK and Irish Governments set out an agreed set of actions to address *“some of the most challenging and intractable issues that*

have impacted on our community". [‘A Fresh Start: the Stormont Agreement and Implementation Plan’](#) contained a number of important actions with regards to welfare reform including a funding package over four years to ‘top up’ the UK welfare arrangements in Northern Ireland; the establishment of a working group under the leadership of Professor Eileen Evason to bring forward proposals for welfare mitigation measures; and an agreement that the Social Sector Size Criteria would not apply in Northern Ireland.

Nov 2015 A Legislative Consent Motion is passed in the Assembly providing the Assembly’s consent that the Northern Ireland (Welfare Reform) Bill 2015 be **taken forward by the Westminster Parliament**. The motion also provides for the introduction of both the [Welfare Reform Order 2015](#) and the welfare clauses of the *Welfare Reform and Work Bill*. The Minister for Communities at that time, Mervyn Storey MLA, [stated](#) that, *“We all recognise and understand the political and ethical challenges that the Welfare Reform Bill presents for parties in the Assembly. It has been clear that for many months that getting the Welfare Reform Bill through the Assembly would be difficult and was not going to happen in the short term. In order to make progress, it was essential that we were creative and innovative in finding a way to move forward... This has been a difficult balance to achieve, but I believe that the proposals before the Assembly today represent the most practical way of achieving it”*.

Nov 2015 The [Welfare Reform \(Northern Ireland\) Order 2015](#) is laid at Westminster conferring powers on the Secretary of State to legislate for the delivery of welfare reform in Northern Ireland.

Jan 2016 The NI Executive publishes the [Report of the Welfare Reform Mitigations Working Group](#). The report welcomed the Executive’s commitment to provide mitigation of the bedroom tax for Housing Executive and Housing Association tenants: *“We know this will be costly but consider the expense to be justified given the hardship this measure has caused in Great Britain and the particular circumstances relating to housing which prevail in Northern Ireland. It should also be noted that this mitigation will assist many households on low wages as well as those not in employment.”*

Jan 2017 A three-year abeyance of the devolved institutions in Northern Ireland begins. Throughout this time many housing, advice and other third sector organisations express deep concern over the end of the current mitigations package in March 2020.

Feb 2017 The **Social Sector Size Criteria is introduced in Northern Ireland**. However, as per the Fresh Start Agreement, most claimants affected by the ‘bedroom tax’ would receive an equivalent **Welfare Supplementary Payment** until March 2020.

- Nov 2018** Leading advice organisations in Northern Ireland including Advice NI, Housing Rights and the Law Centre (NI) launched a joint report '[Welfare Reform: Mitigations on a Cliff Edge](#)' which expressed concern that the 2020 "mitigations cliff edge" was fast approaching. The report considers the importance of the current mitigations package and the implications for social security claimants in Northern Ireland if the package is discontinued at the end of March 2020. A number of options for continuation of the mitigations package are explored including a re-profiling of the package to include, for example, increased support to Universal Credit claimants during the five-week waiting period and mitigations in relation to the [two-child limit](#) in tax credits and Universal Credit. The [Cliff Edge Coalition](#), a group of more than 100 organisations continue to campaign and raise awareness of the impact of the potential cessation of welfare reform mitigations in Northern Ireland.
- Jan 2019** The **Northern Ireland Audit Office** publishes its report on '[Welfare Reforms in Northern Ireland](#)'. The report focuses on the mitigation measures and assesses their impact. It recommends that the Department continues to build on its engagement with all stakeholders including claimants, third sector organisations and its own staff in order to enhance and understanding of how welfare reforms are working in practice. The report notes that an end to mitigation payments and a lack of suitably sized housing had the potential to *"lead to increasing levels of homelessness, use of payday lenders and impact on the tenant's creditworthiness."*
- Sept 2019** The **House of Commons Work and Pensions Committee and Northern Ireland Affairs Committee** publishes its joint report into their Inquiry on '[Welfare Policy in Northern Ireland](#)'. The Inquiry focuses on the upcoming end of the welfare mitigation package in 2020 and looks at the operational issues arising from the introduction of Universal Credit in Northern Ireland. The report strongly recommends that the mitigation package is extended beyond March 2020 for a further four years: *"The ending of the mitigations payments in March 2020 – in particular, the ending of Social Sector Size Criteria and benefit cap mitigations – would mean that tens of thousands of households in Northern Ireland would see their incomes suddenly fall, some by hundreds of pounds per month. The impact on households would be exacerbated by the fact that many people simply would not be expecting payments to end. Support organisations in Northern Ireland have rightly described this prospect as a "cliff edge". None of the special circumstances that justified the mitigation package have changed in the last four years"*. The Committee recommends that "bedroom tax" mitigation be extended after March 2020. It further recommends that DfC considers continuing the contract for independent advisory services after 2020.
- Nov 2019** The **Northern Ireland Human Rights Commission** publishes a report it commissioned on the '[Cumulative impact assessment of tax and social](#)

[security reforms in Northern Ireland](#)'. The report provides an important overview of how Northern Ireland differs from the rest of the UK in terms of socio-economic and policy circumstances and highlights that the overall implications of these differences means that the impact of welfare reform in NI has the potential to be more severe than elsewhere in UK. The report also looks at options for designing an effective mitigations package post-March 2020 and contains a number of policy recommendations for the NI Executive and the UK Government. The report highlights that the bedroom tax mitigation has had the greatest impact upon older adults in Northern Ireland, *"The offset of the 'bedroom tax' has the biggest impact for adults aged 45 to 54 and 55-64, with the impact for women in these age groups being slightly greater than for men....This result reflects the fact that men and women living in social housing in this age group are less likely to have children living with them...and thus be subject to the bedroom tax (given that...the social housing stock in Northern Ireland is mainly composed of properties with more than one bedroom"*.

Dec 2019 The Department for Communities publishes a [Review of Welfare Mitigation Schemes](#). The report considers the potential impact of the end of the welfare mitigation schemes and provides an assessment of the available evidence in relation to the impact of ending each of the mitigation schemes. The report focuses in particular on the Social Sector Size Criteria mitigation which it identified would continue to affect the greatest number of claimants. The report maintains that *"On the basis of available evidence it is considered that there is strong evidence to consider options for the continued mitigation of people affected by the Social Sector Size Criteria"*. The report cites evidence from a number of the Housing Executive research reports on the impact of welfare reform that are available to download [here](#).

Jan 2020 The Northern Ireland Assembly and Executive are restored. The ['New Decade, New Approach'](#) deal is published which outlines a commitment that the Executive will *"extend existing welfare mitigation measures beyond March 2020 when they are due to expire"* and states that *"a review of welfare mitigation measures will be taken forward as a priority, with any agreed measures in place before March 2020"*.

Feb 2020 The Minister for Communities [announces](#) plans to extend welfare mitigation for the Social Sector Size Criteria. The Minister acknowledges that there are other mitigations that "need to be looked at" and stated that she would continue working with stakeholders in moving this forward.