

Northern Ireland Assembly

Committee for Social Development

Welfare Reform Bill



Citizens Advice *Response*

1. CITIZENS ADVICE - OVERVIEW

- Citizens Advice is the largest advice charity in Northern Ireland working against poverty. In 2011-12, our offices handled 305, 337 issues and dealt with 84, 456 clients directly while in the same period there were 122, 109 instances of the public downloading information documents from our website.
- Citizens Advice has promoted services in Northern Ireland since 1984 and has unmatched brand awareness among the public here, with 98% of people aware of Citizens Advice (MORI Omnibus Survey Northern Ireland, June 2011).
- The increasingly complex nature of work undertaken reflects the effects of welfare changes, squeezing of household budgets and reductions in working hours on our clients during the current economic crisis.
- The service is delivered through an unrivalled network of 28 local offices and 100 other outlets. We have a physical presence in 22 council areas around Northern Ireland.
- Online services have increasingly become a major priority for the organisation, as we seek to meet the changing needs of clients and growing demand for such advice and information.
- The largest single increase in advice demand over the past 3 years is to our online self-help advice service - Adviceguide.
- In 2011-12, Adviceguide had 180,273 separate users who accessed a total of 542, 458 Northern Ireland specific advice items. This represents a high growth rate over the past three years, with respective increases of 55% and 51%.

- Citizens Advice works in partnership with a number of statutory, voluntary and community bodies on a range of programmes and projects. Some of our major partnerships include:
 - The ‘Beat the Recession’ project funded by Big Lottery
 - The Royal British Legion/RAFBF Benefits and Money Advice service
 - Macmillan CAB Welfare Advice Service
- These are in addition to a range of local initiatives undertaken by our member bureaux. This extensive service is delivered within a budget of £6 million. It is in part funded by our social economy arm, Citizens Advice Services Ltd.
- Citizens Advice Northern Ireland has formal links to Citizens Advice in England and Wales and a close working relationship with Citizens Advice Scotland (CAS). Together the three associations constitute the largest advice network in Europe, with over 60 years experience of providing advice and information to the public.
- Citizens Advice also works in partnership with the Citizens Information Board in the Republic of Ireland to provide cross border advice and information.
- The CAB network is tuned to targeting social need with regional spread, modern integrated IT infrastructure and skilled staff. We provide an efficient and cost effective channel for the delivery of information and advice to the most socially vulnerable people in Northern Ireland.

2. CITIZENS ADVICE CLIENTS AND WELFARE REFORM

Citizens Advice welcomes the opportunity to contribute to the Social Development Committee's consideration of the Welfare Reform Bill 2012.

Citizens Advice assists clients throughout Northern Ireland with a wide range of issues and problems. Many of those clients and problems will in future be directly impacted by the provisions of this bill.

In 2011-12 Citizens Advice:

- Assisted 84, 456 clients via bureaux on 305, 337 issues
- Handled 169, 687 benefits issues via bureaux (56% of all issues)
- Advised clients on 39, 571 issues relating to DLA
- Advised clients on 76, 602 issues across Income Support, Jobseeker's Allowance, ESA, Housing Benefit, Child Tax Credit and Working Tax Credit¹
- Delivered 106, 851 items of information on benefits to Northern Ireland users via our Adviceguide online self-help service²

In the context of this existing service delivery, it is anticipated that Citizens Advice will see a significant rise in enquiries from clients in relation to the material of this bill up to, at and during implementation of its provisions.

The experience of these clients, their issues and our advisers has contributed to the suggestions and observations in this response.

¹ In addition, bureaux handled 8, 510 issues relating to the Social Fund.

² www.adviceguide.org.uk

3. THE ASSEMBLY AND WELFARE REFORM

Citizens Advice believes that this bill should be considered by the committee in contemplation of a number of wider governmental aims and strategies, in terms of holding the executive to account and assisting the Department.

The Programme for Government commits the Executive to:

- deliver a range of measures to tackle poverty and social exclusion
- use the Social Protection Fund to help individuals and families facing
- hardship due to the current economic downturn
- improve online access to government services
- fulfil its commitments under the Child Poverty Act to reduce child
- poverty
- support people (with an emphasis on young people) into employment by providing
- skills and training.

Various statutory obligations come into play including:

- Statutory Equality Duties (Northern Ireland Act 1998, s75)
- Child Poverty Act

A number of governmental strategies and programmes should also be considered in respect of this bill, including:

- Social Investment Fund
- Social Protection Fund
- Child Poverty Strategy
- Economic Strategy
- Anti Poverty and Social Inclusion Strategy
- Young People Not in Education, Employment, or Training (NEET) Strategy
- Neighbourhood Renewal Strategy
- Benefits Uptake Strategy
- Draft Housing Strategy
- Childcare Strategy

4. THE WELFARE REFORM BILL AND THE NORTHERN IRELAND CONTEXT

Citizens Advice acknowledges that this bill largely mirrors the content of the Welfare Reform Act 2012 passed at Westminster.

Citizens Advice is aware of the devolutionary context of and debate around the bill, particularly in terms of the opportunities for administrative flexibility and the potential financial consequences of particular breaks in parity.

In that spirit, we have endeavoured both to provide specific recommendations in respect of various clauses, including some amendments as well as a range of observations and other criticisms which may require joint action with (or subsequent to) the UK Parliament. We hope that the Committee finds both to be helpful in its deliberations.

We believe that there is considerable awareness of certain proposed administrative deviations from the UK bill, namely:

- Payments made more frequently than monthly (by default)
- Payments to be issued to persons with actual caring responsibilities
- Payments to be made directly to landlords

Given the apparent consensus emerging within the Assembly on these issues, we have focused our commentary on other issues where possible. Similarly, there is significant awareness of the differential impact of the lack of affordable and accessible childcare in Northern Ireland compared to England, Scotland and Wales and the consequences of an online by default system (although we have considered these points as they relate directly to various clauses).

Citizens Advice broadly welcomes the stated key principles of the Welfare Reform Bill, that is, to encourage more people into employment, and to make work pay. Simplification of the benefit system is also generally welcomed, as the current process of administering benefits can be overly complicated and difficult for claimants to navigate.

However, the likely impact of this bill will be the reduction in benefit entitlement and payments for a many of the most vulnerable people in our community. Changes to benefits and taxation in the present 5 year period will hit Northern Ireland hardest of any region outside London.

Universal Credit is being promoted as a means to help people to move from benefits into work. Citizens Advice believes there is a disjoint between this objective and the reality of the unemployment situation in Northern Ireland. When unemployment is so high, the focus should be to invest in the wider economy and create jobs rather than focus on cutting access to essential financial support for many people in need.

The new benefit is named after personal independence – but Citizens Advice is concerned it will actually reduce independence. The experience of new assessments in ESA has been one full of problems, driven by bureaucracy-led decision making (rather than a people centred approach). Citizens Advice fears that PIP will extend that experience to people on DLA.

The UK government has said it wants to reduce disability benefit spending by 20%. Citizens Advice fears that this approach seems to be more about spending less on vulnerable people than realising their independence.

5. CLAUSE BY CLAUSE RESPONSE

PART 1

UNIVERSAL CREDIT

Clause 4

(3)

Citizens Advice welcomes this provision in anticipation that regulations mirror provision under Income Support, such as to provide for lone parents under 18, young people under that age who are estranged from parental financial assistance or experiencing an inappropriate home environment.

(5)

Consequent regulations should be tailored to reflect the particular circumstances of Northern Ireland including the movement of people between here and Great Britain and the movement of people between here and the Republic of Ireland.

(6)

We hope that regulations interpret “receiving education” and “treated as receiving education” to reflect the current exemptions in Income Support, eg., those who missed a key part of education due to illness or disability and those who, due to the nature of their disability, are receiving education later in life which most people would receive earlier

Clause 5

(1) (a) and (2) (a)

We are concerned at the potential impact of a capital limit of, say, £16 000 in savings for couples (per 2 (a)). At present, couples who exceed that capital limit do not qualify for income-related benefits but can be eligible for tax credits. Under UC they would not appear entitled to any help. Such a limit would penalise people in various categories such as;

- Couples who have saved for a house deposit who experience unemployment or another reduction in income. This will disproportionately affect couples from lower income backgrounds, as similar couples fortunate to receive a deposit from relatives would receive UC while self-accumulated deposit payers would not)
- Parents of disabled children currently receiving tax credits to help with the extra costs of a disabled child will lose out on that help if they have set aside savings to cover the future care needs of their disabled child
- Couples who experience illness, unemployment or redundancy by one partner will be worse off than at present. Currently, the remaining working partner is eligible for tax credits, but that help would be lost under UC. Combined with the loss of contribution-based ESA after 12 months for a Work Related Activity Group assessed ESA recipient, this could be

calamitous to their finances and result in the wiping out of lifetime savings at a time in life when older age care needs are looming.

Clause 6

(1) (b) and (c)

The minimum periods of entitlement and waiting period that would be provided for in these regulations should reflect the objective of enabling claimants to move into work without disincentive, bearing in mind the possible opportunities available from a planned Real Time Information system. These provisions should properly mirror the flexible, unpredictable and often-short term nature of the work opportunities that lower paid workers, in particular, encounter.

(2) A period of seven days seems unduly long to secure entitlement. Citizens Advice recommends the following amendment:

Possible Amendment 1

After “exceed” delete all and replace with “3 days”.

Regulations should ensure that no waiting period applies in the event of a claimant losing entitlement to ESA, e.g. after the one year WRAG time limit passes.

Clause 8

(3) (a) and (b)

Citizens Advice considers that all statutory payments such as Statutory Sick Pay or Statutory Maternity Pay and benefits such as Maternity Allowance and the first 6 months of ESA payments should be categorised as earnings for the purposes of UC.

This would mitigate the likely adverse impact of UC on people who have been working and who are on parental leave or who are in the initial stages of illness. At present, these people are treated as if they are working, and hence qualify for Working Tax Credits. Aligning these groups as earning for UC purposes will help them to avoid debt and poverty as a consequence of the possible loss of entitlement in UC as proposed.

This comment also goes to Schedule 1 Paragraph 4 (3)

8 (3) (a)

The calculation of earned income in respect of people previously self-employed should reflect actual payments issued to the claimant rather than any assumed floor which may not reflect actual previous remuneration.

This comment also goes to Schedule 1 Paragraph 4 (3)

Currently in Northern Ireland war disablement pension, war widow's pensions and war widower's pensions are disregarded in full when assessing entitlement to Housing Benefit and Rate Relief, though they are treated as income for other means tested benefits. A recent client, who is 75% disabled, was able to receive full Housing Benefit once his £900 per month service disablement pension was discounted. Citizens Advice recommends that in the regulations that prescribe how income is calculated and taken into account in Universal Credit these pensions remain disregarded in the same way as personal injury payments and special compensation schemes (see DWP Universal Credit Regulations 2012, Part 6, IC 10 and 13).

Clause 10

At present families with a disabled child may be entitled to receive additional financial support through the disability element of child tax credit, currently worth £57 per week. Under UC the proposal is to cut the level of this financial support in half to £28 per week unless the disabled child is receiving the high rate of care component of DLA or is registered blind. It is very difficult for parents to find work with suitable hours to fit in with caring for their disabled children. This is particularly true for lone parents. Frequently parents have to pay more for childcare for their disabled children.

Citizens Advice would like to see additional support provided for working parents of disabled children by increasing the rate of childcare support for these families to 80%.

Clause 11

(3) and (4)

Citizens Advice is concerned that regulations will provide for an under occupancy provision ('bedroom tax'), following the changes scheduled for Housing Benefit. However, UC provisions will differ for example protection on death will no longer run for 53 weeks but benefits will run only for 3 months. There will also be less protection for mixed age couples where one is not above pension age and the younger partner is not already receiving Pension Credit.

University of Ulster research that highlights a shortage of single-bed housing units available. The research also shows that Northern Ireland does not have the

social housing mix that would enable people to move types of accommodation. This bill will penalise people for not moving when there will not be homes into which they can move

Overall, Citizens Advice considers that the under-occupancy penalty should not apply (i) for a period of 2 years after a change in circumstances (e.g. children leaving home) and (ii) in any circumstances where suitable alternative accommodation is not available, given the nature of housing demand and the social housing stock in the region.

There is a wider point about the continued priority given by Housing Associations to build accommodation with two or more bedrooms, which fails to take account of the increased need for HMOs and single bedded dwellings that is likely from the bill.

See also the comments on clause 69

(3) (a) and (4)

Citizens Advice has previously expressed concerns about the limiting of Support for Mortgage Interest to 2 years since 2011 and reiterates that concern in respect of possible UC provisions. This problem is compounded by the high probability that low income home-owner families are in negative equity and consequently unable to move to a cheaper property.

Clause 12

(1), (2) and (3)

The calculation of an award of universal credit is to include amounts in respect of such particular needs or circumstances of a claimant as may be prescribed.

Citizens Advice is concerned that the support offered by the Severe Disability Premium to severely disabled people who live alone and have no one caring for them is not going to be offered under Universal Credit. While DLA and its successor PIP is available to meet the additional costs that all disabled people meet, SDP helps with the extra costs faced by people who live on their own and may need to pay others to do things for them, including essential personal care. The extra payment enables them to continue to live independently.

Citizens Advice notes that the Explanatory and Financial memorandum states that, in reference to this clause, 'It is also intended to provide an amount for working claimants who pay for formal childcare in respect of a qualifying child or children. Regulations may specify or provide for the determination or calculation

of the rates of any such additional amounts'. The provision of assistance with childcare is to be contained within the regulations, rather than guaranteed through the Bill. It is unclear at this stage what assistance is to be offered in terms of extra elements to assist with childcare for those in receipt of Universal Credit.

It is critical that the level of support for childcare within UC is sufficiently generous to make work pay for parents on low incomes who rely on formal childcare and for parents with disabled children. This is particularly important given that most support for childcare costs at present is delivered through WTC, which will be subsumed into the UC system (and the WTC assistance was already reduced from 80% to 70% of eligible costs in 2011).

Citizens Advice would like further clarification on the arrangements that will affect parents with severely disabled children. Formal childcare for those children is specialised and generally more expensive. Also, such caring parents may prefer to work for a smaller number of hours per week. It would be helpful to have clarity on the availability of suitable support for those parents who seek to engage in work outside home.

Generally, Northern Ireland at present does not have the same level of standard of childcare provision as England and Wales, which may be problematic for those wishing to return to work, but who are unable to secure adequate, affordable childcare. Citizens Advice is concerned that this Bill will introduce new sanctions on lone parents in the absence of the childcare support that is essential if they are to take up employment. Any fair approach to sanctions must consider the lack of employment opportunities, together with the lack of affordable childcare.

Clause 14

Citizens Advice sees opportunities in the idea of a claimant commitment. However, this should be based on a partnership approach between citizens and the state. For example, undertakings should be reflective of the experience, skills and circumstances of the claimant as well as the relevant local labour market.

We therefore suggest the following amendment:

Possible Amendment 2

Clause 14 insert new Clause 14 (6)

“(6) A claimant commitment shall be drawn up in consultation with the claimant and have due regard to his/her skills, knowledge and experience.”

Citizens Advice notes that there is little evidence to prove sanctions are effective in moving claimants closer to the labour market.³ There is also an apparent injustice if sanctions remain in place even after a claimant (re)enters work. This is a disincentive to engagement and contrary to the purported aims of the bill.

In the context that sanctions are applied, a useful innovation would be to ensure that the reasons for them are properly conveyed to and understood by the claimant for developmental purposes (and potentially to enable challenge).

Clause 16

3 (c)

Citizens Advice would wish to see further detail on how “improving personal presentation” will be interpreted and imposed. There is particular scope for subjectivity in the interpretation of such provisions, and regulations and guidelines should be clear to both frontline officials, claimants and decision reviewers. Such regulations and provisions should also be particularly framed and implemented in adherence with obligations under Article 19 of the Human Rights Act.

Clause 17

As with the claimant commitment, undertakings expected should be reflective of the experience, skills and circumstances of the claimant as well as the relevant local labour market.

Clause 18

Citizens Advice wishes to see regulations that may impose requirements on a claimant to be “immediately” available for “more paid work or better paid work” crafted in a way that ensures that they are not held in contravention of commitment as a result of obligations to an existing employer, for example immediate availability may be restricted due to a notice period.

³ Griggs J and Evans M, *Sanctions within conditional benefits systems; a review of the evidence*, December 2010.

Clause 23

Citizens Advice welcomes the potential support offered to claimants through these additional interviews. However, scheduling of interviews should be done after consultation with the claimant in order to take reasonable account of circumstances, e.g. timing interviews to facilitate existing work, caring, medical or child care responsibilities.

To that effect we suggest the following amendment:

Possible Amendment 3

Clause 23 (2) after “take place” insert

“in consultation with the claimant and with reasonable regard to the circumstances of the claimant”.

Clause 24

24 (7)

Citizens Advice welcomes the special provision offered to victims of domestic violence and would seek for the extension of this provision to those who have to be rehoused due to hate crime. We would also advocate that arrangements for the payment of housing costs to a refuge/hostel or landlord in instances of domestic violence be continued as currently exist for Housing Benefit.

We suggest the following amendments for consideration:

Possible Amendment 4

Clause 24 (7)

Line 3 after “domestic violence” insert

“, or a victim of hate crime resulting in a need to be rehoused”

And Possible Amendment 5

Insert new Clause 24 (9)

“ (9) For the purposes of subsection (7) -

(a) “hate crime” has such meaning as may be prescribed and shall include grounds of ethnicity, sexual orientation, gender identity, religion, political opinion or disability.

(b) “victim of hate crime” shall be defined by regulations under subsection (7)

(c) “resulting in a need to be rehoused” shall be defined in regulations

(d) a person has recently been a victim of hate crime if a prescribed period has not expired since the crime was committed or since the victim became aware of the crime.

Clause 26

(8) (a)

Citizens Advice again notes that there is little evidence to prove sanctions are effective in moving claimants closer to the labour market.⁴ There is also an apparent injustice if sanctions remain in place even after a claimant (re)enters work. This is a disincentive to engagement and contrary to the purported aims of the bill.

26 (8) (b)

Citizens Advice recommends that this provision be deleted in order to encourage engagement with the labour market. This change would incentivise work while encouraging claimants to remain in work for at least as long as the period of sanction applied.

Explanatory Memorandum para 97 (refers to Clause 26)

This indicates that the sanction decision will be appealable but not the decision to impose work-related or connected requirements of whether the client has good reason). This may raise issues about the right to fair process. Also, it is unclear how a decision can be taken on an appeal against a sanction without consideration in many instances of the question of good reason.

Clause 28

(f) The provision around recoverability of any hardship payments should have due regard to the imperative to incentivise work. Any decisions to recover hardship payments are likely to deter the entry of claimants into the workplace.

⁴ Griggs J and Evans M, *Sanctions within conditional benefits systems; a review of the evidence*, December 2010.

Clause 33

Citizens Advice has some concerns about the probable arrangements for transitional support. In particular, the cash top-up will be eroded by inflation unless it is index linked. Also, the top-up will be lost as a result of (as yet undefined) changes of circumstances. This might penalise people for having children or disincentivise claimants from taking up work, for example, dependent on the nature of regulations.

PART 2

WORKING-AGE BENEFITS

Clause 45

(3) (4) and (5)

As in the case of Universal Credit, Citizens Advice sees opportunities in the idea of a claimant commitment. However, this should be based on a partnership approach between citizens and the state. For example, undertakings should be reflective of the experience, skills and circumstances of the claimant as well as the relevant local labour market.

In that spirit, Citizens Advice would suggest the following amendment:

Possible Amendment 6

Clause 45 (4) [Article 11 (2) (a)] [line 24];

after “(a) be prepared by an employment officer” insert

“in consultation with the claimant”

Citizens Advice also suggests a similar amendment to the provision for variation of the claimant commitment:

Possible Amendment 7

Clause 45 (5) [Article 12 (1)] [Line 40];

After “officer” insert

“in consultation with the claimant”

Citizens Advice notes that there is little evidence to prove sanctions are effective in moving claimants closer to the labour market. In the context that sanctions are applied, a useful innovation would be to ensure that the reasons for them are properly conveyed to and understood by the claimant for learning purposes (and potentially to enable challenge).

As with the claimant commitment, undertakings expected should be reflective of the experience, skills and circumstances of the claimant as well as the relevant local labour market.

Clause 47

As per Clause 28 and Universal Credit, the provision around recoverability of any hardship payments should have due regard to the imperative to incentivise work. Any decisions to recover hardship payments are likely to deter the entry of claimants into the workplace.

Clause 50

(8C) (3) (d) and (e)

Action required in respect of employment programmes, work experience and work placements should have specific focus, be tailored to the previous experience, skills and likely employment opportunities of the claimant and be time limited. This should be guided by an approach (i) to ensure that there is a tangible employment related outcome to the claimant, (ii) to minimise displacement of paid employment in the local labour market and (iii) to prevent possible abuse by employers of such a scheme.

(8J) and (8K)

As previously stated, Citizens Advice is unaware of convincing evidence to prove sanctions are effective in moving claimants closer to the labour market.

Clause 52

(1)

Citizens Advice strongly disagrees with the introduction of time-limiting of CB ESA for those in the work related activity group. Many of the people affected will have paid their national insurance, will have been let go from their occupation due to ill-health and will be unable to get other work. Having understood that national insurance guaranteed them a wage replacement when they were unable to work, they are now having that guarantee removed.

A typical client coming to us for advice would be a man in his 50s who had worked all his life in the shipyard, but is no longer able to work because of back pain. Given his age and the economic climate, it is unlikely that he will find work again to suit his disability. He will have prudently saved for his retirement but this will now count him out of IB ESA. He will therefore have to use up his capital at much earlier time of his life rather than the retirement he has saved up for.

(6)

We argue that it is wholly unreasonable, if time-limiting proceeds, to count days occurring before the coming into operation of this section towards the 365 days time-limit. Anyone due to have a reduction in their income of up to £105 per

week needs adequate time for financial planning. In Great Britain letters were sent out to claimants who might be affected in the year preceding the introduction of the regulation. No such notification has been given here. We therefore recommend that, at the very least, the 365 days limit starts to run from the time that the claimant is notified of the change in regulations.

Clause 53

We welcome this clause, which allows for people who have been put into the WRAG to re-establish their entitlement to CB ESA if they are moved into the support group. We would like to see further details of this amendment, particularly whether there are any time limits on linking to a previous claim and what the requirements are for demonstrating a continuous underlying claim.

Clause 54

We are concerned with discontinuation of CB ESA in youth. While many of these claimants will qualify instead for IB ESA, if they have a partner who works they will no longer have access to their own income and be wholly dependent financially on their partner.

Clauses 55 to 58

Citizens Advice sees opportunities in the idea of a claimant commitment. However, this should be based on a partnership approach between citizens and the state. For example, undertakings should be reflective of the experience, skills and circumstances of the claimant as well as the relevant local labour market.

We therefore suggest the following amendment:

Possible Amendment 8

Clause 55 insert new Clause 55 (3) (1C) (6) after “prescribed.” Insert

“(6) A claimant commitment shall be drawn up in consultation with the claimant and have due regard to his/her abilities, skills, knowledge and experience.”

And renumber accordingly.

Citizens Advice notes that there is little evidence to prove sanctions are effective in moving claimants closer to the labour market. There is also an apparent injustice if sanctions remain in place even after a claimant (re)enters work. This is a disincentive to engagement and contrary to the purported aims of the bill.

In the context that sanctions are applied, a useful innovation would be to ensure that the reasons for them are properly conveyed to and understood by the claimant for developmental purposes (and potentially to enable challenge).

Clause 59

(1) and (2)

Citizens Advice is concerned at the reduction of the age of the youngest child from 7 to 5 for eligibility for income support on the grounds of lone parenthood. There are two significant differences between Northern Ireland and Great Britain: we have much poorer childcare provision; and children in P1-3 have a shorter school day, most finishing at 2.00pm rather than in the later afternoon. It is therefore reasonable that there should be different rules here.

In addition, the Department predicts that the change in lone parent conditionality will save £11.73m in 2012/2014. However, it is unclear if these stated savings are net of a corresponding increase in the JSA budget which will occur when lone parents of 5 and 6 year old children are unable to find work which fits in with their childcare responsibilities.

Clause 60

See comments in respect of Clause 16 and Clause 17.

PART 3

OTHER BENEFIT CHANGES

Clause 69

As already stated in relation to clause 11, we are concerned that housing benefit claimants in the social rented sector will be penalised for under-occupancy when there are not available Housing Executive or Housing Association homes for them to move into. Choice is particularly limited in rural areas.

While the policy objective is to contain Housing Benefit expenditure in the social rented sector, the DWP impact assessment⁵ for GB is unable to predict reliably how much the savings will be. Because of the shortage of one and two-bedroom properties in the social rented sector, some tenants may have to move into the private rented sector, but because rents in the private sector are higher, in many cases Housing Benefit entitlement will be higher, thus no savings will be generated. The survey also points to the associated costs for local authorities of implementing the policy.

Citizens Advice advocates delaying the implementation of the bedroom tax until it can be seen from the experience in GB whether it does generate significant savings without excessive associated costs. The DWP research suggests that around 35% of claimants in GB are likely to fall into arrears if their Housing Benefit is reduced. There is no reason to assume the figure would not be the same in Northern Ireland.

Clauses 70 to 73

Citizens Advice welcomes the SSA's intention to maintain both loans and grants in the successor to the Social Fund and to widen eligibility to include those on contributory benefits and people in work but on a low income. We also welcome the fact that there will be no reduction in the fund's budget and that it will be ring-fenced for the next two years. We would like reassurance that this ring-fencing will be maintained throughout the period of transition to Universal Credit, when there will be increased demand on the fund.

Clause 75

This clause will allow for the introduction of a capital limit for State Pension Credit, potentially in line with the £16,000 that currently exists for means-tested benefits. This will have a prejudicial effect on older people who may have

⁵ <http://www.dwp.gov.uk/docs/social-sector-housing-under-occupation-wr2011-ia.pdf>

accumulated savings throughout their working lives. There is currently no upper limit, and Citizens Advice recommends a continuation of no capital limit for State Pension Credit. Having such a limit would disincentivise saving.

Citizens Advice calls for further consideration of the impact of Welfare Reform on older people. Grandparents often assume care of their grandchildren, and financial support will be paid through Pension Credit.

PART 4

PERSONAL INDEPENDENCE PAYMENT

Citizens Advice welcomes provision of funds to contribute to the extra costs of overcoming the barriers faced by long-term disabled people to leading full and active lives.

In Northern Ireland, there are over 40,000 people currently⁶ claiming Employment and Support Allowance and over 189, 000 receive DLA. Westminster has stated an aim of reducing disability spending by 20%- this approach seems to be more about spending less on vulnerable people than about ensuring independence for those living with disabilities.

There is a lack of detail in the Bill, with most of the significant provisions being left to regulation. Some of these are elaborated in the accompanying explanatory and financial memorandum. Important points, which have been subject to consultation, remain unresolved. The regulations need to be fully scrutinised before the Bill is passed into law.

Citizens Advice calls for the following to be taken into consideration in Part 4 of the Welfare Reform Bill: Personal Independence Payment.

Clause 76

(3)

Currently an individual can be absent for up to 26 weeks for any reason before they lose entitlement to DLA. The DWP has proposed that after 4 weeks abroad DLA/PIP should no longer be payable and entitlement should end, except if the absence is for medical treatment when the period of absence can be extended to a maximum of 26 weeks. We contend that the 26 week period should not be shortened. During times of exacerbation of their condition individuals may spend time with family across the border, others may have periods of work or study out of Northern Ireland.

The descriptors for the activities have been subject to consultation (April 2012). We have expressed various concerns about the impact of proposed descriptors⁷. Again, it is important that the regulations are fully scrutinised. As yet we are unsure what the final descriptors will be.

⁶ DSD, May 2012

⁷

www.citizensadvice.co.uk/PageFiles/6268/DSD%20PIP%20Assessment%20Thresholds%20apr2012%20final.doc.pdf

(5)

It is crucial that assessment for PIP learns from the problems of ESA. We want to avoid the stress and expense of the numerous appeals where benefit has been denied. The regulations must ensure:

- that appropriate claimants should be given an award on the basis of their submitted evidence, thus avoiding the expense and stress of a face-to-face interview. Particularly for claimants migrating from DLA, a combination of their medical details and the supporting evidence from a healthcare professional who knows them, could obviate the need for a short impersonal face-to-face interview with an assessor, whom it has been shown from ESA has made an incorrect assessment.
- that the medical assessments are carried out by assessors who understand the particular conditions of the people with disabilities they are examining and the impact these conditions have on daily living and mobility. This is particularly important when it comes to mental health conditions.
- that claimants have a chance to look at the assessor's report at the time of assessment and note any disagreement. The ESA appeals process has shown many cases where the claimant has disagreed with what the Health Professional says happened at the interview, resulting in appeal in moving from 0 or low points to double those required.
- that all relevant medical evidence is reviewed at an early stage, and additional evidence requested where necessary, so that the decision-maker is fully informed before making the determination.
- that the assessments are carried out in a sensitive manner in a place appropriate to the individual. Recent problems that have emerged with ESA assessments – lack of home visits; because Royston House is not suitable for people with poor mobility, some Belfast clients have been sent to Ballymena and Craigavon, which can increase their discomfort, distress and stress. Providers in England are offering assessments in GP surgeries and up to 60% home visits, which is much more suitable for claimants.
- that a monitoring system involving stakeholders regularly reviews the performance of the contracted assessors and the decision-making. (see clause 88).

Clause 78

(4)

We welcome that the regulations under this subsection will be subject to the confirmatory resolution procedure. These regulations have been subject to consultation (April 2012). We have expressed concern that:

- Enhanced mobility will be available to people who use an aid, including a wheelchair, only if they also require supervision or help. This fails to recognise the additional expense involved in being a wheelchair user, an expense which DLA up to now has been designed to meet.
- With a 20% cut in the disability budget, there will inevitably be some claimants currently in receipt of higher rate DLA who will not qualify for enhanced PIP. If the passported benefits of the Motability scheme, road tax and Blue Badge entitlement are dependent on the higher rate of enhanced mobility PIP, these clients will have their mobility seriously affected. There must be an alternative route in place to access these passported benefits.

(5)

See comments on Clause 77 (5).

(6)

The Explanatory Notes at paragraph 370 state that, *“If a person is over pensionable age, it is not normally the case that they would be entitled to the mobility component”*. We would like clarity here that if an individual is already in receipt of PIP mobility, they will continue to receive it once they reach pensionable age as is currently the case with DLA.

Clause 79

(1) to (3)

Already discussed above under the assessment criteria. These regulations need to be further scrutinised before passing into law.

(4)

It is stated that most individuals will be asked to attend a face-to-face consultation with a trained independent assessor, such as a healthcare professional, as well as providing information. Learning from the experience of ESA, we recommend that the healthcare professionals do not ignore, as they do

currently, additional information such as X-rays and doctors' letters that an individual may bring with them, and that they flag up in their report to the decision maker if they think that additional information would be useful in making a decision. This should reduce the number of claims going to appeal.

(5)

The regulations may include provision- (a) For a negative determination to be treated as made if a person fails without a good reason to comply with a requirement imposed under subsection (4)

Citizens Advice is concerned with the claims procedure. There is a two-part form, the first of which will be by phone, initiating the claim. An advisor will only be allowed to do this for the claimant if they have the client sitting beside them, unlike the present DLA claim. The claimant will then be sent out a barcoded second part, which has to be returned to complete the claim. If claimants need help through each part of this process, they may not be able to complete the forms in the prescribed time, particularly with the increasing waiting times in advice agencies for form completion.

There is also widespread refusal among GPs to complete benefit forms, with some asking for a fee from the client. Clients must not be penalised for GPs' non-cooperation.

Citizens Advice has concerns that negative determinations may result in financial penalties for those who, for example, may suffer from mental health conditions that can act as a barrier in communicating with others, or engaging in the assessment and claiming process. Learning from the IB/ESA migration process, regulations must allow for protection for those who, because of a medical condition, have difficulties in engaging with the system by taking their mental health into account when determining what constitutes a good reason for failure to comply.

Clause 80

(4)

Regulations under section 79(2) may provide that in prescribed cases the question of whether a person meets "the required period condition" for the purposes of section 77(1) or (2) or 78(1) or (2) to be determined by reference to- (b) whether, as respects every time in the next 9 months, it is likely that the relevant ability were to be assessed at that time that ability would be determined to be limited or (as the case may be) severely limited by the person's physical or mental condition.

Citizens Advice calls for this to be amended so that if a claimant initially fails to meet the prospective “required period condition” but their disability persists so that in hindsight they would have met the condition, the claimant will receive an award backdated to when they first applied.

We call for this amendment as, with the proposal that the prospective test should be extended from 6 to 9 months, it can be difficult to predict whether a condition will persist for particularly in the first few months after, for example, a complex fracture or the onset of depression. A claimant should not be disqualified from a personal independence payment by an optimistic prognosis nor should a doctor be put in the position of having to be unduly negative in order for the claimant to qualify. If the prognosis turns out to be wrong, the claimant should be able to get the award instated without a time penalty or need to reapply.

Clause 83

(1)

A person to whom a relevant EU Regulation applies is not entitled to the daily living component for a period unless during that period the United Kingdom is competent for payment of sickness benefits in cash to the person for the purposes of Chapter 1 of Title III of the Regulation in question

Citizens Advice is concerned that this clause will negatively impact on those claimants who live in Northern Ireland but work in the Republic of Ireland. Under these circumstances, it is likely that the Republic of Ireland will be deemed as the competent authority, effectively negating the Claimant’s entitlement to a personal independence payment. This could disincentivise a DLA/PIP recipient from seeking work across the border, and prevent the increased independence which the bill purports to advance.

Clauses 84 to 85

Citizens Advice has already raised concerns about PIP claims and temporary stays in hospital or care homes. We were pleased to see the removal of the need to reapply for PIP after time in treatment or recovery but seek reassurance that the time frame for these remains at 28 days before suspension of claims

Clause 86

Citizens Advice are concerned that if no mobility PIP can be received by those on remand this could result in loss of access to Motability for those who are not convicted. We would recommend that claims are suspended during a period of remand (with Motability protection similar to that available with DLA and hospital.

PART 5

SOCIAL SECURITY: GENERAL

Clause 95

(1)

Regulations may provide for a benefit cap to be applied to the welfare benefits to which a single person or couple is entitled.

Citizens Advice is greatly concerned that the proposed benefit cap will result in significant hardship for a number of families. The Explanatory notes at paragraph 461 state that the amount of welfare benefits a claimant or a couple receives will be capped by reference to the average earnings of working households in Great Britain. This will equate to approximately £350 per week for single adults with no children, or £500 per week for a couple or lone parent, regardless of the number of children that they have⁸. This cap does not take into account household size or circumstances, such as variations in housing costs. This will result in disparity between regions, and within regions, which may have varying average housing costs.

A cap on benefits will disproportionately affect those families with outgoings in excess of the average, for example, if they have children living in the home with disabilities, or if they live in an area with high rental rates. Citizens Advice is concerned that the effect of the cap will be to push families below the poverty line.

The benefit cap will be applied via a claimant's housing benefit, so the applicability and effect of the benefit cap will depend on a house-holds entitlement to housing benefit. This will have the effect of reducing available monies for sustaining the family or individual, and meeting housing costs. This may lead to debt and homelessness, if claimants find that they are unable to afford to pay their rent.

The government has suggested that claimants can reduce the impact of the benefit cap by moving into employment, with the possibility of receiving in-work benefits, but this will not be a realistic option for the large number of people who have been unable to secure employment. This may result in families having no option but to move home in an effort to lower their housing costs, with a disruptive effect on employment and education, as well as the potential to have

⁸ www.ons.gov.uk/ons/rel/regional-trends/region-and-country-profiles/key-statistics-and-profiles---august-2012/regional-profiles---key-statistics-tables---august-2012.xls

negative impacts on family relationships. Furthermore, this could result in both a polarisation of housing stocks, where some areas will simply be unaffordable whilst others become ghettoised, and in the further depletion of rural populations, where appropriate affordable housing is simply unavailable.

Clause 96

(3)

Citizens Advice is concerned to note that a decision that the benefit cap applies to a particular award of benefit may not be appealed. If the cap is applied incorrectly, leading to an incorrect award of benefit, this will be appealable; otherwise, claimants will have no right to appeal. Given the high ratio of successful appeals in current benefits, with which decision makers are familiar (Appeal Service figures show that 2455 represented appeals upheld 2189 disallowed) it is likely that there will be more errors or miscalculations with a new benefit and the right to appeal is paramount.

Clause 99

Citizens Advice has concerns that in the majority of cases, payments will be made to the male head of household, despite studies showing that money is more likely to reach children of the family if payments are made to the woman. In reality, it is often women who manage household budgets. Northern Ireland is the only region in the UK where child poverty rose- 21% of children live in persistent child poverty, which is more than double the GB rate. Further issues arise in situations where there is domestic violence or mental health/drug or alcohol dependency or other forms of addiction/compulsive behaviour.

Suggested Amendment- Payments could be made to the main carer where there are children in a family, or split payments between joint claimants, so that payments for children could be received by the main carer, who will usually, but not exclusively be the mother. Payments for housing costs could then be received by the person who is responsible for managing rental payments.

The Explanatory Notes, at paragraph 479, states that the Department may determine that the couple should nominate a lead individual to receive payment of the benefit. Clause 99(2B) also provides for the Department to determine to which member of the couple the payments should be made. In determining who is to receive the benefit payment, the Department should have consideration of the reality of the daily lives of claimants, and who is the main carer.

Clause 101

The effect of this clause is to enable the Department to make regulations setting out the cases or circumstances in which an appeal can be made only when the

Department has considered whether to revise the decision. This clause has the stated aim of resolving more disputes with claimants through the internal reconsideration process before an appeal to the tribunal is made.

Citizens Advice has concerns that this provision will be made in an attempt to reduce the number of permitted appeals of Department benefit decision, acting as a barrier to justice for claimants who feel (and the statistics above suggest that a large portion of them are supported by the appeal service) that the decision is erroneous. Appeal numbers are well documented, and it is apparent that historically, claimants have felt that appeals are a necessary way of challenging decisions. Citizens Advice regularly assists claimants with appeals to tribunals, and so has experience in dealing with common reasons for appeals. If claimants are only able to request revision of decisions, there is a real likelihood that wrong benefit decisions will not be adequately challenged and that the further clarifications of regulations through case law will be less effective.

If claimants no longer have the right to appeal at the first instance, by forcing mandatory revision requests to be made, they may be discouraged from appealing decisions that they believe to be wrong. Claimants will have to trust that the Department has reached the correct decision, but if they feel they have not, they might choose not to appeal due to the added layer of bureaucracy, especially for those claimants who may be claiming benefits due to ill-health.

A fair and effective decision-making process requires correct awards to be made from the outset, which would be a more cost-effective and customer friendly approach to reducing appeals than placing additional barriers in the way of customers seeking corrections of wrong decisions.

Clause 102

(1)

In section 165 of the Administration Act... regulations under this Act require or authorise the use of electronic communications...

Citizens Advice notes that provision will be made in the bill to allow for electronic communications between, for example, the Department and HMRC. Citizens Advice seeks clarification about how the security of electronic communications will be guaranteed, particularly with reference to cyber fraud and online identity theft. It has been mooted that the Department and DSD will utilise similar security systems to those used by banks, however, in light of the systems failure experienced by Ulster Bank customers, it is clear that these systems are not infallible. The regulations do not seem to make provision should the system fail, which could result in real financial hardship for people if they do not receive their benefit payments. Whilst communication between departments is to be

encouraged in streamlining benefit claims and administration, security must be considered a priority.

Citizens Advice has concerns over the operational functionality of the real-time information system for PAYE taxation, developed by HMRC. Citizens Advice would welcome assurances that this system will be fully implemented in time for the new benefit system.

Citizens Advice would also welcome clarity about how advisers will be able to access the Universal Credit system on behalf of claimants without requiring the claimant's personal security system.

The Department for Work and Pensions has set a provisional target of 80%⁹ of claims being made through the online claiming system by 2015. Citizens Advice has concerns about this focus on 'digital by default' arrangement, particularly given that only around 20% of Jobseekers Allowance claims were made online. Citizens Advice questions whether the target is realistic. It is clear that increased provision must be made for additional computers to be placed in Job & Benefits offices, as well as increased resources being made available to advice agencies such as Citizens Advice, who will undoubtedly be called upon to provide assistance and support for claimants struggling to cope with an online system. More resources must be made available to the advice sector to ensure that such help is available for those require it.

Claimants will face a number of difficulties with using online claiming systems, for example, there will be a large number of claimants who do not have access to the internet, either at home, and/or particularly those who live in rural areas who may not have easy and regular access to a Jobs & Benefits office or library. Those who do use public computers primarily for the purpose of filling in claim forms may not then have access to email facilities for follow-up communication regarding their claim. Claimants who are not comfortable or familiar with computer equipment may struggle with a lack of technical ability and confidence, and may have fears over the security of inputting personal and sensitive information onto a computer.

If such an onus is to be placed on making online claims, claimants who require it must be provided with training to learn how to make and maintain benefit claims. This will be particularly prudent for those who for example, are non-English speakers, or who have learning difficulties or mental health conditions.

⁹ www.dwp.gov.uk/docs/jsa-claims-online.pfd

Clause 105

(2)

This clause allows for the Department to recover social security overpayments and social security debt (including social fund debts) by means other than through the court system, with the result that time limits do not apply to recovery by deduction from benefit.

Citizens Advice is concerned that time limits do not apply for the recovery of, for example, overpayments of benefits. Where an overpayment has been made as a result of error on the part of the Department, recovery should be time-limited to prevent unnecessary hardship to claimants. Having no time limit creates uncertainty and unfairness in the recovery system.

Clause 109

This clause amends existing rules to allow the Department to provide a financial penalty as an alternative to prosecution where a claimant has made a false or fraudulent claim for benefits, even if the claimant did not receive any payment. Citizens Advice is concerned about the increase of powers to allow for such draconian penalties to be made.

Clause 110

(3)

The amount of the penalty in a case... is 50 per cent of the amount of the overpayment... subject to- (a) a minimum amount of £350, and (b) a maximum amount of £2000.

Where no overpayment has been made, the penalty will be £350. This appears to be a significant penalty for claimants who may already be financially vulnerable, and is not a reflection of the seriousness of the offence, particularly where the Department has suffered no loss as payments have not been made. Citizens Advice appreciates the need to reduce benefit fraud, but recommends that the minimum penalty should be much lower than £350. Having such a minimum penalty may act as a deterrent to those who have legitimate entitlement to benefits from making a claim, in case they are deemed to have done so fraudulently.

Clause 111

This clause reduces the cooling-off period for agreeing to pay a penalty to avoid prosecution from 28 days to 14 days. Citizens Advice calls for the repeal of this clause, as 28 days is a more suitable time period to allow for proper

consideration by claimants of the decision to pay a financial penalty. A reduction to 14 days will affect a claimant's opportunity to seek advice, such as from a Citizens Advice bureau, and the claimant may feel pressured by the reduction in time to make a decision they later seek to have overturned. Repeal of this clause will have no financial impact upon the Department, but would allow claimants to explore all their options to make an informed decision, which would in turn reduce appeals.

Clause 112

(1)

Clause 112 provides for a civil penalty where claimants fail to disclose information that would affect benefit entitlement or the amount of benefit payable; or fail without reasonable excuse to report changes of circumstances. Citizens Advice is concerned that the imposition of civil penalties in the case of client error will result in unfair and excessive sanctions.

A penalty of £50 has been proposed, which is a punitive measure that will potentially act as a deterrent for claimants who may be entitled to make legitimate applications. Before penalties are imposed upon claimants who fail to inform the Department of changes to personal circumstances, systems must be in place to allow for changes to be easily reported. Claimants must also be told before transferring to Universal Credit of the potential implications for failure to notify, as well as what constitutes a relevant change in circumstance and some claimants should receive special consideration, for example, those with memory issues (such as early onset dementia) or some learning disabilities or mental health conditions, where the capacity to retain knowledge necessary to notify the Department is limited

If penalties are to be imposed upon claimants who may negligently give incorrect statements, reciprocity would call for the same principle to be applied to the Department: if errors are attributable to the Department, claimants who suffer loss should be suitably compensated, with sanctions imposed on the Department. This would ensure equality amongst claimants and the Department, with the objective of driving down errors across the claiming process.

The experience of Citizens Advice advisers is that errors are more commonly attributable to Department officials than claimants. Many clients seek advice from bureau in relation to Department administrative errors, which, with intervention from advisers, are generally rectified. However, no compensation is offered by the Department to make up for the hardship

Any failure to provide information, or where information had been mistakenly provided in error, as a result of a move towards electronic claiming, must be allowed for during a transitional period. Claimants will be familiarising themselves

with the new system, and mistakes may be made without any malicious or fraudulent intention. Regulations must provide for human error or problems with the software and any decisions regarding sanctions must take this into account.

Sanctions imposed on claimants must not result in financial hardship. Claimants in receipt of benefits are living on a government-established level of subsistence, so penalties can run the risk of placing clients in further financial difficulty. Citizens Advice is concerned that the use of sanctions will adversely affect the most vulnerable in society, who may be the most likely to make errors in the claiming process. The claiming process should be simplified to reduce the likelihood of errors being made either by claimants or by officials.

There are likely to be a significant number of appeals against the imposition of sanctions, which will lead to increased pressure on advice agencies, such as Citizens Advice. The advice sector desperately requires more funding to ensure that all those affected by Welfare Reform are able to access reliable advice and assistance. If resources are not given to the advice sector at a time of increasing demand, vulnerable people could be at further risk.

Even with sanctions being taken from the adult component of Universal Credit, in reality, children of the sanctioned adult will also be negatively impacted. A reduction in household income will have an effect on the living standards of the children, whose welfare should be a paramount consideration, especially given the high levels of child poverty in Northern Ireland. The Department must ensure that the regulations do not allow children to suffer as a result of sanctions.

Suggested amendment: Claimants should not be penalised for a first mistake, and they should be given an opportunity and a period of time to allow for the mistake to be rectified or additional information to be provided before a sanction is imposed.

Clause 113

Clause 113 introduces a new 3 year loss of benefit sanction where the benefit offence is a relevant offence, for example, serious organised fraud or serious identity fraud. It also increases the period of sanction for a first offence from 4 weeks to 13 weeks. Citizens Advice has concerns that the period of sanction is too protracted. It will lead to financial hardship for many, particularly where there are children in the family. A reduction of household income for such a prolonged period will have consequences extending beyond the claimant at fault. Citizens Advice recommends that the period of sanction remains at the current levels.

Clause 115

This clause has the effect of removing the offer of a caution, instead being replaced by either a more severe administrative penalty or a prosecution.

This clause removes discretion from the Department in the management of fraudulent claims, and leads to the criminalisation of claimants when a caution may have been a more appropriate remedy. Allowing for cautions in the administrative process retains the fit with the partnership approach between the claimant and the Department. Cautions also allow for claimants to gain an understanding of the claiming process, and the reasons for the issuing of the cautions, with a reduction in the likelihood of re-offending. Pursuing prosecutions for minor offences may be counter-productive financially for the Department, with costs of issuing court proceedings.

Citizens Advice is concerned by the removal of cautions, recommending that cautions can still be offered for first offences.

PART 6

MISCELLANEOUS

Clause 125

The Explanatory memorandum, at paragraph 618 states that the power under subsection (1) can be used to make provision for the apportionment of fees and waiver.

Citizens Advice is concerned about proposals to introduce a system of fees for parents with care- if fees must be included under Welfare Reform, it may be more appropriate for fees to be levied at the parent who prevents a family based arrangement from being secured.

Citizens Advice is further concerned that parents will be required to show that they had taken 'reasonable steps' to set up an arrangement with their former partner, or they may have to pay an application fee, which has been mooted to be around £100, or £50 if the applicant is in receipt of benefits. A survey conducted by Gingerbread found that 72% of single parents would be unable to agree private arrangements with their former partners and almost half would be unable to afford the application fee . As the Bill already acknowledges the additional needs of partners who have experienced domestic violence, these needs require further consideration here.

Subsection (3) of the Child Maintenance Act (Northern Ireland) 2008 includes the power to make provision for the charging of fees which are not related to costs. Citizens Advice is concerned that this punitive system has the potential to act as a barrier in reaching arrangement between parents and carers. Citizens Advice does not support a system of fees in the child maintenance system which is not directly related to costs.

Rather than introducing a system of fees and what will in effect be financial penalties following the breakdown of a relationship, additional support and guidance should be facilitated to aid parties in reaching an agreement between them. This would improve family relationships, with the added incentive of avoidance of additional costs.

Clause 130

We are concerned that the rate relief scheme is going to be removed from the housing benefit scheme from 1st April 2013 and we have not yet seen the replacement. The Minister has indicated that there could be a deficit of £13m in the first year 2013/14, which may easily escalate due to inflationary pressures and increased demand in the future years.¹⁰

It is essential that individuals currently in receipt of rate relief are informed in good time of any cut in their entitlement so that they can plan financially and that transitional protection is put in place. We also want to see how any new scheme will interact with Universal Credit.

¹⁰ <http://www.dsdni.gov.uk/ministers-speech-welfare-reform-second-reading.htm>

SCHEDULE 1

Paragraph 4

(3) (c)

Citizens Advice considers that all statutory payments such as Statutory Sick Pay or Maternity Pay and benefits such as Maternity Allowance and the first 6 months of ESA payments should be categorised as earnings for the purposes of UC.

This would mitigate the likely adverse impact of UC on people who have been working and who are on parental leave or who are in the initial stages of illness. At present, these people are treated as if they are working, and hence qualify for Working Tax Credits. Aligning these groups as earning for UC purposes will help them to avoid debt and poverty as a consequence of the possible loss of entitlement in UC as proposed.

Paragraph 4

(3) (d)

Regulations which set out the prescribed rate of income yield should allow for calculations based on relevant indications of net market deposit savings performance based on actual market data.

Paragraph 4

(3)

The calculation of earned income in respect of people previously self-employed should reflect actual payments issued to the claimant rather than any assumed floor which may not reflect actual previous remuneration.

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