



**Response to Committee for Social
Development consultation on the Welfare
Reform Bill**

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NIACRO
Amelia House
4 Amelia Street
Belfast
BT2 7GS

Committee for Social Development
Room 412, Parliament Buildings
Ballymiscaw
Stormont
Belfast
BT4 3XX

Dear Dr Pelan,

Welfare Reform Bill

Thank you for the opportunity to comment on the Welfare Reform Bill, currently being considered by the Committee for Social Development. NIACRO is a voluntary organisation, who has been working for over 40 years to reduce crime and its impact on people and communities. We provide services for, and work with, children and young people; with adults in the community and with people in prison and their families, whilst working to influence others and apply all of our resources effectively.

NIACRO receives funding from, and works in partnership with, a range of statutory departments and agencies in Northern Ireland, including criminal justice, health, social services, housing and others.

Given our experience of working with some of the most vulnerable and marginalised groups in society, we are keen to share our knowledge and provide our views on this particular piece of legislation, which will have far-reaching implications for many people in Northern Ireland. To that end, and notwithstanding the importance of maintaining the principle of parity, we are keen to ensure that the legislation introduced by the Northern Ireland Assembly has due regard for, and cognisance of, the particular needs of our society, which include higher rates of both unemployment and disability than other regions. We, therefore, strongly urge the Assembly not to miss this opportunity to develop legislation that responds appropriately to our needs, and protects the most vulnerable people in our society.

Attached you will find our substantive response, which addresses some clauses directly as well as providing more general commentary on the principles underpinning the legislation and its practical implications. We hope this is helpful and should you require anything further from us, please let us know.

We look forward to observing the Committee's further deliberations on this matter.

Yours sincerely,

Olwen Lyner
Chief Executive

NIACRO Position Paper: Welfare Reform Bill

Welfare Support - First Principles

NIACRO believes that, in terms of first principles, we need a welfare system that is flexible, that considers individuals' needs, and facilitates claims in advance of critical events, such as redundancy, retirement or release from custody. Such a system should be able to react to changing events, including offers of employment, in real time to ensure a smooth transition from benefit dependency to waged independence. We are concerned some of the current proposals will either hinder or prevent that, and that many are based on unrealistic assumptions about peoples' capacities or needs.

Date of claims

Briefings supplied by the Department of Social Development (DSD) indicate that the date of claim for Universal Credit will in future be determined by the date that the completed benefit form is accepted by DSD, and not the date of first contact as is currently the case with Disability Living Allowance and Jobseeker's Allowance. NIACRO believes this is inherently unfair, as it will disadvantage those claimants who are less technically able and struggle with digital and online applications, as well as those with literacy and numeracy issues or learning disabilities.

Online claims

Whilst we understand the pressure to move towards online applications and claims, which can often be more efficient for both claimants and staff, there are very real issues in Northern Ireland in terms of access to the internet. In both disadvantaged and rural areas, there are people who simply do not have regular or reliable access to such services. The new system requires claimants who apply to check their Universal Credit online accounts regularly for messages and instructions. In many cases, our service users will be able to make their initial applications online with our support, but this would then require people who use a centre such like NIACRO to check in regularly with NIACRO for messages. This is both unfair and unrealistic, and we recommend that the Department considers inviting applicants to indicate on their claims forms how they wish to be contacted.

A further issue with the online application format for Universal Credit is that the questions boxes provide no room for free text to add additional information material to the application, in a further departure from the current procedures. As well as restricting the capacity for individuals' particular circumstances to be taken into account, this presents further difficulties given that Section 112 of the Bill introduces penalties for incorrect statements and failures to disclose information. We recommend that, in order to ensure people are given the maximum opportunity to disclose information to be taken into consideration, the forms are amended to include the capacity to provide free text.

Monthly payments

We are aware that officials have been attempting to negotiate some flexibility in the system to protect the provision of weekly and fortnightly payments, and avoid a uniform move to one monthly payment in all cases. We strongly support this approach as we know many of the people we work with simply do not have the skills to manage a monthly budget. We deliver training in financial capability in a range of settings and that experience demonstrates to us that such skills are seriously lacking in Northern Ireland, particularly amongst the marginalised groups with whom we often come into contact.

To that end, we recommend that consideration is given to including some of the people we work with, such as people who have been in custody, within the exceptional circumstances group (payments exception service), to ensure that they receive payments on a weekly or fortnightly basis.

Bank accounts

While bank accounts are the preferred option for the payment of Universal Credit, we are keen to highlight the hesitancy that remains within the banking sector to engage in a process with the Northern Ireland Prison Service to facilitate people in prison to open bank accounts. Many of these people have minimal experience of continuous employment, and as a result enter prison without ever having opened a bank account in their own name. There is a range of barriers that exist for such people, who can't give a proof of address or utility bill, to actually opening an account either prior to or immediately after release. We would, therefore, argue that until banks are required to co-operate and facilitate a scheme for people who have been in prison, an alternative to payments directly into bank accounts must be maintained. We would welcome any leverage the Department can use with the banking sector to move this issue forward to a positive conclusion, to enable people planning for release to open a basic bank account for their immediate use upon release.

The "bedroom" tax

We are strongly opposed to any reduction in Housing Benefit to Housing Executive or Housing Association tenants who reside in a property that is deemed to be under occupied. Introducing such a tax would punish those people who need housing support for the inadequacies of, and lack of flexibility in, the social housing stock available in Northern Ireland. We know that many recipients of Housing Benefit are single people, but there are very few single bedroom properties available, and claimants should not be penalised as a result. We also know that there is a distinct lack of Houses in Multiple Occupation (HMOs) available outside the urban hubs and Greater Belfast area, which again is no fault of any claimant.

There is also a wide range of legitimate reasons why people may need to reside in a property with additional bedrooms, such as:

1. Families of people in prison who intend to return to the parental or family home upon release;
2. Families of students who may move out of parental accommodation during term time and return during holidays or after course completion;
3. Separated couples who have custodial access to children on a regular but infrequent basis;
4. People who are hospitalised for short periods;
5. Foster-carers or respite carers who are required to have a spare bedroom for people to stay for short periods; and
6. People with disabilities who have a carer stay over on a regular but infrequent basis.

For these reasons, we urge the Committee to consider amending this element of the legislation to ensure tenants are not unduly penalised.

The Bill

Turning to the legislation as currently drafted, we also wish to make a number of comments on specific elements therein.

Section 4 - Basic conditions

The Bill requires that in order to claim Universal Credit a person must be at least 18 years old. Section 4 (3) allows for a lower age limit to apply in specific

circumstances, such as lone parents under 18 or young people estranged from their family. We recommend that 16 and 17 year olds who are registered for training with the Employment Service but have not secured an immediate placement should also be added to this list of specified groups, to mirror the current provision for discretionary Jobseekers' Allowance.

Section 11 - Housing Costs

Section 11 (1) states that the calculation of an award of Universal Credit is to include an amount in respect of any liability of a claimant to make payments in respect of the accommodation the claimant occupies as his or her home. We are concerned about this aspect of the Bill as it places responsibility on the benefit claimant to pay their landlord directly from their lump sum payment.

We urge the Department to amend this section of the Bill to allow the option of direct payments to landlords. As we have noted elsewhere, we have concerns for many of the people we work with who are simply not financially capable of managing money or budgeting; who have learning disabilities and mental health issues; who have addictions to drugs and/or alcohol and who will ignore their responsibility to pay their rent and misuse the housing costs element of their benefit. Given the consequences of persistent non-payment, which can eventually lead to eviction and homelessness, we urge the Department to help such vulnerable people to maintain their tenancies by facilitating payments for accommodation costs directly to landlords.

Section 16 - Work preparation requirement

We recommend that engagement with NIACRO employability services, and other similar programmes offered by voluntary and community organisations, is recognised as contributing to work preparation in fulfilment of these requirements.

Sections 70–73 - Social Fund

Provision is made in these sections of the Bill for the repeal of crisis loans, community care grants and budgeting loans under the discretionary social fund. The Office of Social Fund Commissioner and the Independent Review Service are also repealed. We understand that work is ongoing to develop a replacement Discretionary Support Scheme but we are keen to emphasise the importance of the availability of support for assisting the resettlement needs of people moving from prisons or hostels into independent living arrangements in the community. Without more detail on the qualifying criteria for the new scheme, it is hard to be more definitive on its impacts, but we recommend that these particular circumstances are recognised in the regulations governing the Discretionary Support Scheme.

Section 86 - People in prison

As currently drafted, the legislation is not clear as to whether payment of the daily living component of Personal Independence Payment (PIP) will continue for the first 28 days of custody, as is provided in Sections 84 and 85 for people entering a care home or hospital respectively to meet ongoing costs.

Further to that, we recommend an amendment is inserted to Section 86 to take account of people who spend lengthy periods on remand in prison, only to be released without charge, as well as those who serve long sentences only to have their convictions quashed on appeal. We believe that in these instances, where a person was in receipt of PIP prior to their period in custody and where medical evidence substantiates that they satisfied the qualifying conditions of PIP during their incarceration, a backdated award of PIP should be made to them for the entire period of imprisonment.

Section 95 - Benefit cap

We are aware that there has been considerable controversy over the suggestions that payments would be limited on the basis of the number of children in a household. Given the current economic crisis, in which record numbers of people previously in stable employment are suddenly finding themselves unemployed and reliant on welfare payments, we strongly urge more detailed consideration be given to this proposal. There will be many parents who had always been able to financially support their family, and who could be penalised simply for having more children.

Section 97 - Claims and awards

Subsection (2) amends section (5)(1)(d) of the Social Security Administration Act 1992. Section (5)(1)(d) allows for the making of advance claims to benefit where a claimant does not presently but soon will meet the conditions of entitlement for a benefit. Throughout the new proposals, significant emphasis has been placed on access to, and competence in, digital access with the preferred method of application for Universal Credit being online.

We know from our experience of providing resettlement services that access to financial support within the first few days after release from prison is a critical determinant in preventing reoffending. We, therefore, ask that people are facilitated in making claims for Universal Credit in advance of their release from custody, and that DSD works closely with the Northern Ireland Prison Service to ensure that appropriate resources and equipment are made available to permit advance claims for Universal Credit from prison.

Section 99 - Payments to joint claimants

This section sets out to whom a benefit is paid in the case of a couple claiming jointly. We are mindful that some relationships are defined by domestic abuse and financial abuse and recommend that the regulations require that the views of both claimants are ascertained, to establish to whom payment should be made. Furthermore, we recommend that an amendment is introduced to provide that an appropriate third party, such as social services, may alert the Department to the need for an alternative payment arrangement to be made, and that this be treated both sympathetically and efficiently. Universal Credits could be comprised of Jobseeker's Allowance, housing costs, Child Tax Credits, etc., and a claimant may also be eligible for Child Benefit and Personal Independence Payment. In order to serve the best interests of children and vulnerable young people we ask that further flexibilities are introduced to the Universal Credit system to ensure that payments can be paid to the person in the household who has the main caring duties.

Given the extent of imprisonment for fine default in Northern Ireland, we also wish to highlight potential problems for such a system of large single payments to only one individual within a household. In some households, one partner will be named on utility bills and television licences, etc. If that same person is not able to access the money being paid into their partner's account, in order to pay the bills on time, they could quickly end up in a debt situation, with potential consequences that could include eventual imprisonment. We believe this is inherently unfair, as it creates clear risks that those named will be held accountable with their having any real power.

In cases where payment is made to one member of the household, we also emphasise the disproportionate impact that this will have on the families of people who may enter prison for varying periods of time. In the event that payments are made to the husband, for example, and such payments would be

immediately suspended on committal to custody, a wife may be left alone and with additional caring responsibilities on the outside, without access to any financial assistance or support. We recommend that specific provision is made to ensure that a work-around is quickly identified in such cases to provide ongoing financial support for families who have a member in prison.

Section 100 - Payments on account

NICARO welcomes this element of the legislation as a payment of this kind will bridge the gap between custody and the community while an individual is waiting payment of Universal Credit. Given its importance we ask that released prisoners awaiting the outcome of benefit decisions are specified in subsection 5 (1) (ii) "cases in need".

Conclusion

In conclusion, we request that the Committee uses its power to influence this legislation to include additional safeguards and protections for the most vulnerable. In particular, we must stress that many of the people we work with, whether on supervision in the community, in custody or people who have historical convictions, have lower levels of literacy and numeracy and higher levels of mental health and substance abuse issues. As a result, they are often among the most marginalised groups in society and we believe the legislation, as currently drafted, creates further barriers to their successful integration. We do not expect any blanket provisions to be made for any particular groups, but request that greater evidence of flexibility be introduced within the system, to allow for the very complex needs of people in exceptional circumstances.