



WELFARE REFORM

This paper is presented in draft form to the Social Development Committee in response to its Call for Evidence in relation to the Welfare Reform Bill. The NILGA Executive Committee is meeting with DSD officials on 9th November, after which this paper will be finalised and any further comments forwarded to the Social Development Committee.

Derek McCallan, Chief Executive

29th October 2012

Introduction

NILGA, the Northern Ireland Local Government Association, is the representative body for district councils in Northern Ireland, representing and promoting the interests of the 26 local authorities and supported by all of the main political parties in Northern Ireland.

We trust that our comments will be taken into account when developing the final proposals. This response has been developed further to a joint NILGA/DSDNI seminar held to consider the proposals contained within the Bill, held on 23rd October and attended by local government members and officers.

For further details on this response, please contact Karen Smyth at the NILGA Offices. k.smyth@nilga.org (028) 90798972.

Context

Although councils are not directly responsible for implementation of social security or welfare policy, this is a critical issue for many of our more vulnerable and disadvantaged citizens, and will have major impact on their lives for the foreseeable future.

Although the Bill hopes to help more people into or back to work, there will also be aspects of this legislation that will impact on children, particularly from poorer families, older people, young people seeking social housing, and those who have become known as the 'working poor'.

Addressing and combating poverty is a key focus for many of our members, who are fully aware that Northern Ireland already has a greater than usual percentage of the population who are forced to choose between heating and eating. It is hoped that any changes to the welfare legislation will not exacerbate this situation.

Although this is a UK wide initiative, it is important that we encourage the Committee to reflect on the different life experience of people in Northern Ireland, and to examine how variations to the national position might be made possible to lessen the negative impact on our most vulnerable.

As a society, we in Northern Ireland must reflect on the impact of our recent past on levels of physical disability and mental health, we must consider the facts in relation to our lack of childcare provision, our limited housing stock and our high levels of young people not in employment education or training. We must look at the reasons for our high levels of economically inactive citizens, and begin as a region, to address the problems we have, in addition to providing a safety net. There is a pressing need to ensure an integrated approach across government to begin to deal with the impact of Welfare Reform.

NILGA is keen to work with colleagues in the Assembly and on the various committees, to develop the vision outlined in the Programme for Government of “a shared and better future for all”, and to outline how local government can contribute to this overarching ideal.

With the advent of council-led statutory community planning, area planning and regeneration, it is timely to explore how local civic leaders should influence the policy and legislation directly affecting the disadvantaged.

In the next few years, the role of councils and councillors will develop further as we take on new functions, and it is vitally important that we are prepared to take on new challenges, including the challenge of improving the economic and social well-being of our citizens.

It is within this context that NILGA and the Department for Social Development held a policy discussion event in the NILGA Offices on 23rd October 2012 to discuss the Welfare Reform Bill and to develop a local government view.

At this seminar, members availed of the opportunity to discuss their concerns with the Chief Executive of the Social Security Agency. It became evident from the outset, that there is a high level of disquiet within local government in relation to the changes this Bill is likely to bring about, and also a serious lack of clarity as to the potential for an exacerbated impact due to the conflation of the Work Capability Assessment, Universal Credit and the Personal Independence payment.

Members and officers present at the seminar voiced serious dissatisfaction in relation to the operation and efficiency of the WCA, which will be forwarded to the Committee in a separate letter. NILGA is aware that a Judicial Review of the WCA is currently underway in GB and would encourage the Committee to seek an urgent review of the system in place, to address continuing concerns.

Specific concerns in relation to the Welfare Reform Bill are outlined below in sequential order:

Parity

It is appreciated that it is difficult for the NI Assembly to break with parity on Welfare Reform, but it is vital that protection is ensured for the most vulnerable. NILGA would encourage the Committee to have regard to the recommendations made by the **NI Commissioner for Children and Young People**, in the report; “*An Examination of Parity Principles in Welfare and Wider Social Policy*”, published in April 2012. The Committee is reminded of the special circumstances of Northern Ireland, with our higher than average levels of physical disability and mental health issues related to our recent past.

Part 1 - Universal Credit

Chapter 1 “Entitlement and Awards”

Clauses 1 – 10:

- **Introductory, Entitlement and Awards, Responsibility for Children and Young Persons**

The principle behind Universal Credit (UC) is difficult to argue with, in that there is value in making the benefits system more efficient, but it must be ensured that the poorest benefit the most from the system. There is no doubt that the necessary behavioural change at the heart of this Bill is going to be a massive challenge, and that the education process will be vital, including the provision of budgeting training and advice. It is therefore noted with some consternation that the advice services currently established in Northern Ireland are unlikely to obtain any additional support from government in the face of this systemic overhaul.

The proposal to taper payments, to design out the current ‘cliff-edges’ is broadly welcomed.

The Minister’s efforts to tailor the proposals to suit the Northern Ireland social context are welcomed and should be strongly encouraged to continue.

- The agreement that the housing element of UC can be paid direct to landlords rather than the customer is strongly welcomed.
- Although a change from a monthly to a fortnightly payment is some progress, it is likely that a fortnightly payment will still cause a financial struggle for some households. In addition, NILGA would note that many employees in Northern Ireland, e.g. many local government technical services employees, are paid weekly. The committee is therefore encouraged to propose that the facility is made for payments to be allocated on a weekly basis to facilitate those most in need of a more regular payment and also to ease transition back into the workplace on a ‘like’ basis to the majority of people on lower wages, who are paid weekly. If a change to the computer system is envisaged to enable a fortnightly payment, then it is likely that instead, making a change to a weekly payment, would involve a similar resource.
- The agreement to the Minister’s proposal that payment might be split between two parties in the household is welcomed, but the practical outworking of this will be critically important. It will be vital to ensure that payments are made in a manner which protects any children in a household, and therefore, that there is a robust mechanism in place to ensure that the split is agreed beforehand.

NILGA would encourage the Committee to have regard to the views of the **Women’s Resource and Development Agency** on those issues that particularly impact on women and children within households.

Clause 11: Housing Costs

Further to the Minister obtaining agreement from DWP that benefits can be paid to the provider, the most pressing concerns in relation to the housing element of the UC proposals

now centre on the 'under-occupancy' principles being introduced. This issue is dealt with in comments on Clause 69.

Clause 12: Other particular needs or circumstances

NILGA members, whilst noting the aim of re-integrating people into the workplace, are **deeply** concerned by the standard of implementation of the Work Capability Assessment, linked to the objectives of this clause. NILGA will be writing to the Committee separately on this matter.

It is noted that this clause provides a mechanism to include a payment for working claimants to provide for formal childcare in respect of eligible children. NILGA would encourage the Committee to consider this clause within the context of the significant shortfall of childcare provision available in Northern Ireland and to examine whether or not the proposed payment is likely to be adequate, enabling a return to work. The concerns of the Women's Resource and Development Agency are particularly noted here, and in particular their view that government policy in this areas is regressive, with a significant negative impact on women.

Chapter 2 "Claimant responsibilities"

NILGA's main concern is in relation to the WCA process of assessing that a person is fit for work. The claimant responsibilities outlined on the Bill are noted, and the view has been expressed by NILGA members that attitudes to work are in all likelihood similar to those in GB.

Clauses 19, 20 and 21

It is noted that:

- there will be no requirement to work places on the responsible carer for a child under the age of one;
- a claimant who is the responsible carer for a child aged at least one and is under a prescribed age (which may not be less than 3) will be subject to work-focused interview

NILGA is of the view that this prescribed age a child of whom the responsible carer is subject to work-focused interview should be raised to 'not less than 5'. The Bill proposes to reduce the point at which single parents will be required to seek work, to the date when their youngest child reaches their fifth birthday. NILGA is very concerned that compelling single parents to seek and take up *any* job as soon as their child starts school, will limit their long term prospects and ability to increase their income through work. The lack of childcare provision in Northern Ireland exacerbates this issue.

Clauses 26, 27 and 28

NILGA is concerned in relation to the potential for sanctions to be imposed, for example on lone parents (leaving children vulnerable), and is of the view that the regulations enabled by Clause 28 will require detailed consideration, once drafted.

Clause 30: Delegating and contracting out

NILGA has been monitoring with interest, the issues in relation to some of the private sector providers of Departmental services both in Northern Ireland and in GB. It is critically important that if a service is contracted out, appropriate monitoring arrangements, and review mechanisms are written in to the procurement process and contract. Relevant contracts should be of a short length particularly during the early days of the implementation of these changes, to enable flexibility and improved practice to be built into the system. If a contract is not being fulfilled satisfactorily, the department must reserve the right to revoke it.

Chapter 3 “Supplementary and General”

No comment to make on this section.

Part 2 – Working Age Benefits

Chapter 1 “Jobseeker’s Allowance” and Chapter 2 “Employment and Support Allowance”

No comment to make on these sections.

Chapter 3 “Income Support”

Clause 59: It is noted that a lone parent whose youngest child has reached the age of 5 will be required to move from receiving Income Support, to JSA or ESA (depending on their capability for work). NILGA would restate the views outlined in the response above, to Clauses 19-21.

Chapter 4 “Entitlement to Work”

The **Northern Ireland Strategic Migration Partnership** has been notified of **clauses 61-63** and may choose to respond to the Committee separately.

Part 3 – Other Benefit Changes

Clause 69: Housing benefit – Determination of appropriate maximum.

Local Housing Allowances

A potential cause of homelessness, raised by the **NI Housing Forum**, is related to rental and market values of properties. It will be necessary to review the position regarding rental values in social housing provided by Housing Associations (publically funded) to ensure they are in line with rental benefit rates. **Local Housing Allowance** rates must continue to be based on market rental values, as discrepancies could lead to homelessness or over-reliance on Discretionary Housing payments.

‘Under-occupancy’

Further to the Minister obtaining agreement from DWP that benefits can be paid to the provider, the most pressing concerns in relation to the housing element of the UC proposals now centre on the ‘under-occupancy’ principles being introduced. Greater flexibility is sought, for example to include families who care for foster children, or whose homes have been specially adapted to deal with a disability.

There is serious concern in relation to provision for parental overnight contact with children. Although it is appreciated that Discretionary Housing Payments are available in some circumstances, this will not provide for vulnerable children who require parent access or for children with complex disability related requirements.

NILGA would seek to retain the exception status for ‘supported housing’ properties. These are currently administered separately and are not under existing rent restriction.

In relation to current housing provision, it will be important for the Committee to cross-reference the Bill to existing housing policy. NILGA is deeply concerned by the potential change that will be required to the nature of rented housing provision across Northern Ireland. The current ethos for building social housing is to develop ‘lifetime homes’. The introduction of the Welfare Reform Bill will require a huge uplift in demand for houses in multiple occupation and single bedroom units, and has the potential to radically change the character of large areas of cities, towns and villages right across Northern Ireland. There is a strong likelihood that communities will be displaced. There is also potential for an increased incidence of homelessness as a result of a lack of ‘Welfare Reform Bill-compliant’ housing in some areas.

Clause 70: Ending of Discretionary Payments

The discretionary social fund is to be abolished, as is the office of the social fund commissioner. Instead, budgeting loans for advance payments of benefit will be absorbed in UC as will ‘sure-start’ maternity grants and cold weather payments. It is of note that the Social Security Agency has commissioned a research study to inform decisions about a replacement scheme for future discretionary support services in Northern Ireland. It seems

somewhat premature that such proposals have been included in the Bill before a replacement mechanism has been agreed.

Part 4 – Personal Independence Payment

Clauses 76-94

The chief concern outlined by NILGA members at their recent seminar, centred on assessment, largely due to the experience of the introduction and implementation of the WCA assessment. There is concern in relation to the potential combined financial impact of WCA and PIP assessment on the disabled. It is also evident that there is a lack of clear information available on the new system and a great deal of confusion as to the proposed changes. The Committee is encouraged to consider Baroness Grey-Thompson's recent report "[*Holes in the Safety Net: The impact of Universal Credit on disabled people and their families*](#)" which contains accurate forecasting information in relation to the impact of the Welfare Reform changes on the disabled, with figures that take Northern Ireland into account.

It seems certain that fewer people will qualify for PIP than currently qualify for DLA, and that those who do may qualify for a shorter period of time.

Assessment Concerns

The qualifying period for DLA is currently 3 months, and NILGA would strongly oppose the proposal to extend the qualifying period for PIP to 6 months. PIP is intended to assist people with disabilities to meet additional costs faced as a result of that disability. There is no justification for doubling the current qualifying period. This extension is likely to result in unnecessary financial strain being placed on people with disabilities, for a mere administrative reason.

It must be ensured that the persons carrying out the assessments are appropriately qualified and have attained a recognised level of expertise. This is particularly important when assessing cases in relation to mental health conditions such as depression. It is currently understood that some legal work is underway regarding nurse-led assessments and that the outcome is pending.

Local councillors have highlighted major issues with the current medical examination assessments and centre locations. Feedback received from the SSA and the Minister has state that their analysis is that all of the centres in Northern Ireland comply with the Disability Discrimination Act and that customer satisfaction from their perspective is above the 90% target. Local analysis (e.g. in Dungannon) would suggest that this is not the case, and members are reporting issues in relation to DDA compliance in addition to other issues with performance.

NILGA notes with some concern that the PIP assessment contract is on the verge of being awarded, and can only hope that the issues raised in relation to WCA assessments have been 'designed-out' of this latest contract.

It is vital that those being assessed experience good practice that upholds their rights, including:

- right to representation at examinations
- right to seek clarity on what is being recorded
- right to take notes (for own personal use)

Provision of information

NILGA would request that the Committee places concern for local people at the forefront of its consideration of this part of the Bill, and that it ensures adequate resourcing for provision of information in relation to the changes, to ensure a good level of public understanding of moving from three levels of benefit to two.

Clause 92: Transition

NILGA notes that provision is made for transitional arrangements in relation to PIP, and trusts that appropriate mechanisms will be introduced.

Part 5 – Social Security: General

Clause 95: Benefit Cap

It is observed that the proposed ‘benefit cap’ is intended to ensure that a single person’s or household’s entitlement to welfare benefits for a defined period is no more than ‘estimated average earnings’ for the same period. The overwhelming impact will be on large families living in high rent areas, for which housing benefit changes will already make life significantly harder. It is worth noting that less than 1000 people in Northern Ireland will be impacted by the cap.

Clauses 116-120: Information Sharing

The proposals to enable information sharing between government agencies are noted. NILGA would query whether the computer systems of relevant agencies are currently compatible, and in addition, whether it will be ensured that the new system being designed to cope with welfare reform will be compatible with existing systems.

Data protection is a huge issue, and it must be ensured that sensitive personal information is not vulnerable to hackers and other ‘cybercriminals’, or otherwise vulnerable, particularly at the most exposed points of information exchange between agencies.

Part 6 – Miscellaneous

Clause 128: Dog Licenses

NILGA notes the proposal in relation to reduced dog licence fees for those in receipt of income-related benefits. This is a continuation of current concessions.

Part 7 – Final

No comment to make on this section

OTHER

Cash protection

NILGA would welcome the transitional protections to be introduced, in that the government has stated that no-one will be worse off at the point of transition on to UC. It is unclear however, as to how long this transitional 'cash protection' will last. If protection will only apply until someone's circumstances change, this could be a matter of weeks (for example if hours of work fluctuate), meaning that many of those affected by a so-called *notional* decrease, will soon be impacted by a *real* decrease within a short space of time after transferring to UC. In addition, the transitional protection will only commence from October 2013, by which time many of the other social security cuts will have taken place.

Practical Outworking: 'Computer says no'

Members and officers within local government are deeply concerned by the proposal to move almost completely to an online system in relation to benefits, and the potential loss of a person-centred approach as a result. If the 'computer says no' there must be an adequate system in place to enable the claimant to appeal the decision, and it would be preferable for customers to be able to seek assistance in a holistic way to address their issues.

There are a number of issues in relation to IT provision for Northern Ireland, the lack of broadband coverage in some areas and the lack of proper consideration to the infrastructure that will be needed, for example, closure of rural libraries may remove access to computers entirely for some rural dwellers. Other social inclusion and equality issues will need to be taken into account in provision of this system.

Employment Prospects and integration with Economic Policy

NILGA would remind the Committee that we are in the midst of an economic downturn, in a period of rising inflation, cuts to benefits, budgets and public sector work. This Bill may set the scene for preparing people for work, but there may not be any work for them to go to, particularly in rural areas. For example, Northern Ireland is dependent on 10 companies for the majority of its exports. It is vital that the Northern Ireland Executive, and in particular, the three Ministers for Social Development, Enterprise Trade and Investment, and Employment and Learning are working close together to ensure we have a willing and suitably skilled employment base, and jobs for them to go to. Councils can, and will, assist in working in an integrated way at local level.

Conclusion

Northern Ireland presents particular circumstances in relation to welfare reform and arrangements to move people into employment that must be addressed as creatively as possible, within the bounds of parity.

It is vital to communicate the proposed changes to the public and in particular those who need most support. Clarity of message is key to ensuring that a sound understanding of the new welfare landscape develops.

There is an urgent need to ensure that advice services are well-informed and resourced to meet with what is certain to be an influx of requests for assistance. **This should include a guidance pack, and training for elected members.** There is likely to be huge demand for assistance with budgeting, debt advice, housing advice etc, and this must be planned for, with in particular, SSA staff trained to give a holistic view of entitlements, not just the 'bare bones' of customer need.

A review/redress system must be built into the process, to improve policy as it develops, and to ensure contracts are well-managed and delivered satisfactorily.

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