

SUBMISSION TO NORTHERN IRELAND ASSEMBLY COMMITTEE FOR SOCIAL DEVELOPMENT ON WELFARE REFORM BILL

1. The Community Foundation for Northern Ireland welcomes the opportunity to make a written submission to the Assembly Committee for Social Development on the subject of the Welfare Reform Bill. The Community Foundation is an independent charitable grant making Trust which supports work in areas of deprivation and with disadvantaged groups across Northern Ireland. While primarily a grant making organisation, the Board of Trustees of the Community Foundation were so concerned about the likely impact of both the current Welfare Reform Bill, and related policy changes, that it agreed to fund a 3-year Community in Action Programme (2012 – 2014) to ascertain the impact of these changes on people's lives in practice. To this end it is working with local communities in

- Donegall Pass, Belfast
- Cregagh, Belfast
- Ardoyne, Belfast
- Doury Road, Ballymena
- Taughnevan, Lurgan
- Lettershandoney, Derry
- Villages Together (Bready, Donemana), Co Tyrone
- Fountain Street, Strabane

to monitor developments on life opportunities and to support community resilience.

2. In the initial set of community conversations that have been carried out it is clear that there is both fear and uncertainty about the nature and likely impact of the changes. This is augmenting already very high levels of stress and community fragmentation. There is also a concern about the negative stereotyping of groups of Welfare benefit recipients, such as the young unemployed or single-parent families.
3. In terms of community fragmentation the side effect of increasing rates of unemployment and poverty that is to be feared is the likelihood that new immigrant communities and residents will be blamed for a situation not of their making.
4. With regard to the specific provisions of the Welfare Reform Bill the Community Foundation understand the need to maintain parity, but equally feels that it is important to take account, where possible, of Northern Ireland specific circumstances. The latter may include

- Restrictions in access to on-line technology increasingly required to make claims.
- The number of claimants who may not have Bank Accounts.
- The nature (and number of rooms) of the housing stock.
- The limitations (real and/or perceived) in terms of where people feel secure in terms of living and working.
- The impact on people living in remoter rural areas.
- The number of job seekers experiencing significant work-limiting health considerations.
- The relative lack of affordable child care in certain areas.
- The high levels of people in Northern Ireland that will be affected by the introduction of the Personal Independence Payment, resulting in a disproportionate impact on the region.

5. The area studies conducted by the Communities in Action project has already highlighted a range of relevant concerns –

(i) The high cost of heating (oil/gas/electricity) and the limited choices available to low income consumers. This has resulted in high cost options such as purchase of fuel in £20 - £30 lots. The Assembly has already itself recognised the fuel poverty issue in Northern Ireland.

(ii) The high cost of running a car/or 2 cars in rural areas. As one lady explained –

“My husband runs a van to work and then I have a car but because we’re rural we were trying to work out how we could do with one vehicle but it just didn’t work out... I have to take my children to school every day and lift them, and I have to do it because one of my wee boys has a health issue... and life if we give one vehicle up it means my husband is going to have to give up his job, so it’s a constant battle – trying to run two vehicles is a nightmare... we’re constantly getting into debt to try to keep the two on the road because at this stage nobody wants to buy an old van because there’s no building site work...”

(iii) Even with the current benefit levels, debt is a constant worry. Another lady noted –

“The milkman or the window cleaner, you see people avoiding them because they genuinely can’t afford them until their money comes in ... feeding your child is more important than owing a milkman £6 or £7, and then eventually the milkman doesn’t come ... so you’re switching back on your child getting more things, like we would all like to go out and feed the wee ones fresh vegetables and fresh fruit and have the best for them so that they can have a healthy lifestyle but the reality is we just can’t afford to do it...”

The constant balancing and financial juggling was reported to be reflected in higher rates of depression, and in extreme cases, leading to a breakdown in family relations...

- (iv) Concern was expressed about the concept of monthly payments which could well make already squeezed budgeting more difficult.
- (v) The issue of benefit being paid to the designated householder (often the man) was another area of distinct concern as noted by a number of mothers in particular –

“It’s going to lead to more repossessions. It’s going to lead to your children not getting fed properly; clothed properly...”

with the additional concern that it could well lead to additional pressures on family relationships.

- (vi) Young people – especially where living a distance from major towns – referred to the existing expense of travelling for further study at FE Colleges. Alongside this a single-parent mother referred to the income related deterrence –

“... Then I had my wee girl and obviously it was hard but I’ve actually found out over time that if I go back to Tech to study, I get all my money took off me, my Income Support that I get for my child – so it nearly seems like there’s not point in me going to Tech which is really bad for my child. I get my money took off me if I go back to Tech...”

In short what we are in danger of seeking is a contradiction in government policy between the administration of welfare benefits and policies that argue for ‘Lifetime Opportunities’ – particularly for young people that are not in education, employment or training.

- (vii) A further contradiction in government policy seems to appear with regard to home ownership, on the one hand, but lack of adequate housing support for those on benefits. As one Belfast interviewer reflected –

“Talking about the jobs and all that there, cuts in jobs and wage cuts and everything else. Up where I live there is a lot of people own their own homes and the amount of people who had their houses up for sale because they’ve lost their jobs, and the amount of separation in families – wives and husbands splitting up, where I live is ridiculous. (This is because of the stress of the money worries and everything else...) and then the ‘For Sale’ signs because they can’t cope, because the husband has lost a job or the wife has lost a job...”

There were considerable fears expressed about the proposed measures with regard to under-occupancy in the social rented sector which many people felt they would be increasingly forced into.

- (viii) There were extensive anxieties expressed over the treatment and representation of younger people in the Welfare Reform debates. This related to both the pressures that younger people were under (including the media ads for high interest loan companies) and the lack of employment which is in danger of resulting in a devaluing of education. A Ballymena mother noted –

“Who I actually feel sorry for more is the kids leaving school, there’s no jobs whatsoever. Like my daughter as I said she’s 20, did all her GCSEs, pass them all; stayed on at school for an extra two years. Did A Levels, passed them all, applied for over 30 jobs and never got one interview, not one interview. There’s no jobs for them. They tell you you need qualifications and you get qualifications and you can’t get a job because you’ve no experience...”

Similar stories were related in Lurgan, although there it was a graduate cited. The further demonisation of the young unemployed in the current welfare debates has aggravated feelings of injustice.

6. While the Community Foundation for Northern Ireland is not a welfare advice agency, we feel that the experience in local communities which have a high level of households in receipt of the benefits that are currently under scrutiny is valuable. With regard to specific provisions of the Welfare Reform Bill the Foundation is in support of the detailed representation proposed by Advice NI and the Law Centre (NI). On a general point we believe that is particularly important that resources are made available to allow independent advice, information and representation for claimants given current high levels of fear and confusion and in the face of the complexity of the proposed changes.
7. The Community Foundation is nevertheless in favour of measures that seek to simplify the current maze of welfare benefit entitlements. Its major concern is that this is not implemented in such a manner as to effectively introduce cutbacks in current entitlements, which themselves are meagre in terms of prevailing levels of relative deprivation. We view interim transitional arrangements proposed as just that – transitional (as related to the new Personal Independence Payment) and potentially in effect a longer-term reduction in entitlement.
8. We are further concerned by a recent report by the Institute of Fiscal Studies which found that after London, Northern Ireland will be the hardest

hit by tax and benefit cuts announced and to be implemented under the Bill. It was estimated that the potential loss to benefit recipients in Northern Ireland will be more than £600 million per annum by 2014 – 2015.

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