

## The Welfare Reform Bill

Submission to ; Committee for Social Development

Northern Ireland Assembly

From: The Northern Ireland Anti-Poverty Network

The Northern Ireland Anti-Poverty Network would make the following comments relevant to the introduction of the Welfare Reform Bill 2012.

### **The Northern Ireland Anti-Poverty Network (NIAPN)**

The Northern Ireland Anti-Poverty Network( NIAPN) was established in 1990 as part of an EU-wide move to address poverty and social exclusion, and we were constituted in 1991. We are an umbrella organisation with a membership of 300 which includes individuals and organisations. The purpose of NIAPN is to relieve and improve the position of people who live in poverty and to advance education and conduct research into the effects and causes of poverty for the benefit of the community. In particular, we monitor the impact of the policies of the Westminster Government and the Northern Ireland Assembly on Northern Ireland and we work closely with other UK Anti-Poverty Networks to share experiences, knowledge and good working practices. NIAPN is a member of the European Anti-Poverty Network and monitors the effect the policies of the European Union has on the regions of the United Kingdom. NIAPN also develops and facilitates anti-poverty campaigns and lobbying activities at Northern Ireland, UK and EU levels, and we represent Northern Ireland in the general assembly of the European Anti-Poverty Network (EAPN).

### **The Welfare Reform Act 2012**

NIAPN would agree that a less complicated Welfare Benefits system which would promote equality is not only desirable but essential. However the Northern Ireland Anti-poverty Network has serious reservations regarding the introduction of the Welfare Reform Act 2012 which has received its second reading at Stormont. The current recession is impacting upon all regions of the United Kingdom but Northern Ireland has particular circumstances which our organisation believes requires that policy variations are commensurate with the uniqueness of the Northern Ireland situation. Unfortunately there appears to have been no impact assessment carried out for the impact the Act will have upon the people of Northern Ireland. Other Regions, Scotland and Wales have carried out assessments prior to the launch of the Bill and have collated empirical evidence to support arguments relevant to how those regions will be affected.

Unfortunately Northern Ireland does not have access to similar relevant collated and analysed data but however it is accepted that the introduction of this Welfare Reform Act, bringing the biggest change to the Welfare System for over sixty years, will impact more severely in Northern Ireland than in any other region of the United Kingdom. Reasons for this include:-

- The past conflict which has left a legacy of high levels of mental ill-health resulting in Northern Ireland having one of the highest rates of PTSD in the world and therefore contributing to the high number of people receiving Disability Living Allowance payments.
- The type of housing stock, three and four bedroom dwellings, built over the decades by the Northern Ireland Housing Executive.
- The low level of wages paid to employees
- The high rate of unemployment.
- The high level of Child Poverty
- The high level of Fuel Poverty

### **Housing Issue**

The Northern Ireland Housing Executive over the years concentrated on building three and four bedroom houses. This has contributed to the estimation that between 30 to 50,000 social housing homes are under-occupied. Potentially the tenants of these homes who may currently receive Housing Benefit will have this Benefit reduced or will be forced to seek alternative smaller accommodation. This at a time when there are already 23,000 on urgent waiting lists. Many will be forced into the private sector rental market which does not offer the same level of tenancy security and they may also be forced to live in areas where rental costs are lower but facilities and services are not adequate and they may be remote from family support relevant to child care. Not all receiving Housing Benefit are unemployed as there are currently 16,000 in employment who receive these Housing Benefit payments and many of these will also be affected by the proposed legislation. The impact of this Act upon communities will be severe as extended families which tend to live within close proximity providing the advantage of assistance with child care for those seeking or obtaining work will be forced to disperse owing to financial pressure. This will result in a break-up of family relationship and fragmentation of communities.

### **Unemployment**

The unemployment level within Northern Ireland has now surpassed the United Kingdom average and there are 70,000 people out of work. An aim of the Welfare Reform Act 2012 is to "Make Work Pay" but the problem with this is that there are simply not enough jobs to reverse the current high unemployment rates. An added complication is child care as this is an important support mechanism for those seeking and or finding employment. There are not sufficient places for those requiring affordable child care and therefore many are simply prevented

from actively seeking employment and those being forced to seek employment will not see any reward for entering employment owing to the cost of child care and travel.

Being in employment in Northern Ireland does not mean that working people cannot experience levels of poverty. In Northern Ireland it is estimated that half of the children living in relative poverty are in families where one parent is working. Northern Ireland has lower average, almost 11% lower, earning rates compared to the rest of the United Kingdom. Also many of the jobs being created in Northern Ireland are not full time but instead are part-time paying gross weekly wages of £150.

Nearly 24% of young people, aged 18 to 24 years in Northern Ireland are unemployed and although this is half the rate of some European Countries the figure in Northern Ireland is still rising.

### **Child Poverty**

Last year in Northern Ireland 21% of children were living in relative poverty and this Region has a level of persistent child poverty twice that of the United Kingdom average. Furthermore, in Northern Ireland, approximately 12% of children live in severe poverty. Ministers have a statutory obligation to meet the targets set by the Child Poverty Act 2010 but the families and children experiencing poverty will be put under additional financial strain as a result of the proposed welfare reforms.

### **Disability Living Allowance**

In Northern Ireland 100 out of every thousand receives Disability Living Allowance while in the United Kingdom this is 50 out of every thousand. This dramatic difference is believed to be related to the past conflict and the threat of renewed conflict as well as the stress of trying to make ends meet. Only Northern Ireland as a Region of the UK is emerging from decades of conflict and NIAPN believes this makes Northern Ireland a special case when introducing economic policies which affects the benefit system. Already individuals are experiencing the assessment process for DLA which will become PIP (Personal Independence Payments) under the new Act. Medical evidence is not getting priority with the initial assessment involving computer programmes which depersonalize the process. The DLA issue is important in that it is the gateway to other necessary and needed welfare benefits and therefore if DLA is denied then the individuals access to those other necessary payments is blocked. Many individuals are being turned down at the first DLA assessment but do get it reinstated on appeal but this takes valuable time. There does appear to be a high rate of reversal of decisions at appeal level.

## **What Needs to be Done**

NIAPN Government Departments need to work collectively and collaboratively on the issues which will arise as the debate continues and while there is time to alter processes.

Where Disability Living Allowance is concerned then Medical Evidence must take primacy to avoid delays.

Relevant to housing there needs to be more factual evidence gathered regarding the impact of reduced or denied housing benefits will have and if possible a hold put on implementing the actions to be taken, as a result of the implementation of the Welfare Reform Bill against households which are deemed under occupied.

Welfare to Work under this Bill will not succeed as there are simply not the jobs to reduce the level of unemployment. Effective and immediate strategies are require to ensure that there is investment in getting people into meaningful employment and not just shifting individuals from one category to another to give the impression that the rates of unemployment are being effectively addressed.

The Assembly must continue to address the child poverty level. This Bill must be examined with a view to understanding how it will adversely effect the incomes of the most vulnerable within our society.

Where monthly payments benefits under the new Bill are envisaged the Assembly must ensure that this does not proceed and that weekly or where fortnightly payments are made they must be sustained.

The use of computers by those applying for Universal Credits is not being realistic. It needs to be understood that not all have access to a computer or indeed are able to use a computer. In some rural areas broadband is not available! It is reported that Social Security offices will be able to help those unable to access a computer but it is also thought that staff numbers at social security offices will be reduced. This could impact upon those requiring assistance to apply for benefits. Also it is important for claimants to have all necessary information available when completing online so it is important that they are aware which documents they require.

Departments need to publish an information booklet to make all aware of the content of the Welfare Reform Bill.

There should be a statutory right for each individual affected to have independent advice.

## **In Conclusion**

NIAPN is not alone in believing that the Welfare Reform Bill is more about cutting costs than creating equality and making the system less complex.

Unfortunately the Bill will be implemented but this organisation asks all elected representatives to examine it clause by clause and understand the impact the legislation will have on the people of Northern Ireland. NIAPN asks the elected MLA'S to work in the interests of the most vulnerable within our society and to see Northern Ireland as the special case which it is and to work to reduce the negative impact this Bill will have.

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