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CBI submission to Northern Ireland Assembly Social Development Committee's call for evidence on the Welfare Reform Bill

October 2012

Introduction

CBI Northern Ireland is an independent, non-party political organisation funded entirely by its members in industry and commerce. Across the UK, the CBI speaks for some 240,000 businesses which together employ around a third of the private sector workforce. Our membership in Northern Ireland includes businesses from all sectors and of all sizes. It includes the majority of the top 100 companies, small and medium-sized enterprises (SMEs), social enterprises, manufacturers and sectoral associations.

CBI Northern Ireland welcomes the opportunity to comment on the Welfare Reform Bill as part of the Northern Ireland Assembly Social Development Committee's Committee Stage consideration of the Bill.

Commentary on clauses of the Bill

CBI Northern Ireland has no specific commentary to make, or amendments to propose, to any of the clauses in the Bill as we support the Bill in its entirety.

Additional commentary on the Bill

From an early stage the CBI has been very supportive of the UK Coalition Government's welfare reform programme and the Bill that was subsequently developed by the Department for Work and Pensions. We strongly welcome the proposals as they seek to get people off benefits and into sustainable employment and to tackle long-term sickness. We also believe the Bill adequately provides the protections and support for those who are genuinely unable to work as our welfare system, even in these difficult economic times, can and must continue to do.

However, we have been very concerned at the length of time it has taken since the Bill was approved at Westminster for it to be introduced in the Northern Ireland Assembly. While it is not our position to in any way comment on the political disagreements in relation to the Bill which have been alluded to in the media, we strongly believe that this Bill must be progressed due to the significant financial penalty to the Northern Ireland Budget if parity with Great Britain on welfare payments and welfare system is broken as well as any potential knock-on cost which may be incurred by way of the proposed changeover in IT systems.



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CBI Northern Ireland is not suggesting that the Bill itself should not be subjected to the normal democratic principle of detailed scrutiny, and indeed we welcome the fact that the Bill is now at its Committee Stage, but rather that the potential consequences to any further delay of the Bill, or the possibility that the Bill might itself fall, are financially too high for anything other than the main principles of the Bill being ratified. We would strongly urge that the Committee take account of these potential consequences as part of their deliberations.

The £200 million bill that the Executive would be faced with should the Bill not be passed in its current form is completely undesirable given the certain negative impact this would have on planned resource expenditure by the Executive over the next two years. This would have a significant and hitherto unforeseen impact on public services and would undoubtedly have some level of impact on local businesses.

We very much hope that the Executive and the Assembly can come to a positive conclusion on this Bill as it provides for a necessary and balanced welfare-to-work reform programme and because the financial consequences of not passing this Bill would be devastating to Northern Ireland's budgetary position.

CBI Northern Ireland would be happy to discuss any aspect of the above with the Committee should its Members' so wish.

CBI Northern Ireland
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