

NICTU DRAFT – Oct 12

DRAFT BRIEF Welfare Reform Bill - To be read in conjunction with– Welfare Reform Bill – Explanation and Financial Memorandum – which gives an explanation for each of the 134 clauses. (Copy Attached)

The Bill contains 7 Parts, 7 sub chapters, 134 clauses and 12 schedules.

Part	Title	Sub Chapter	Clauses	ICTU Reference Page/Para
1	Universal credit			
		1. Entitlement and Awards	1-12	6/11; 11/7.1; 54/Q5-Q6; 55/Q7; 56/Q8; 57/Q9-Q11; 58Q12; 58/4
		2. Claimants Responsibilities	13-30	
		3. Supplementary and General	31-44	11/7; 12/(ii)
2	Working-age benefits			
		1. Job seekers Allowance	45-50	7/15-16; 25/7.7; 26/7.8
		2. Employment and Support Allowance	51-58	6/12; 20/7.4; 23/7.5
		3. Income Support	59-60	7/15
		4. Entitlement to Work	61-63	6/13; 24/7.6
3	Other Benefit changes		64-75	6/11; 8/18; 8/20; 19/7.2-7.3; 31/7.10; 32/7.13;
4	Personal Independence Payment		76-94	7/17; 28/7.9
5	Social Security; General		95-120	5/10; 8/19; 8/21; 41/7.15; 43/7.17; 31/7.11
6	Miscellaneous		121-129	44-46
7	Final		130-134	

NICICTU DRAFT – Oct 12**This brief is set out:**

- Part number (1-7) e.g. Part 1 Universal Credit
- Sub Chapter e.g. Entitlement and Awards
- Reference for ICTU submissions; page number/paragraph number e.g.6/11
- Clause (1-134)
- Relevant ICTU submission for each group of clauses.

NICTU DRAFT – Oct 12**Part 1 Universal Credit****Entitlement and Awards****Extracts for ICTU submissions****6/11; 11/7.1; 54/Q5-Q6; 55/Q7; 56/Q8; 57/Q9-Q11; 58Q12; 58/4**

Clause 1: Universal credit

Clause 2: Claims

Clause 3: Entitlement

Clause 4: Basic conditions

Clause 5: Financial conditions

Clause 6: Restrictions on entitlement

Clause 7: Basis of awards

Clause 8: Calculation of awards

Clause 9: Standard allowance

Clause 10: Responsibility for children and young persons

Clause 11: Housing costs

Clause 12: Other particular needs or circumstances

NICICTU DRAFT – Oct 12**Extracts for ICTU submissions****6/11;**

HOUSING BENEFIT. We believe that the impact on older people in particular is not only unfair but cruel. People will be forced to give up their 'family home' or be penalised, tenants cannot be treated as commodities. Congress believes that families will also be disadvantaged where people are returning to the family home due to loss of work, illness, relationship breakdown etc.

11/7.1;**(i) Universal Credit**

Universal Credit will be introduced in October 2013 yet there is little or no detail available in relation to how it will be implemented. This is concerning as the lack of detail at this stage would suggest that DSD are not in a position to implement these reforms in NI. That said we believe that Universal Credit is a punitive regime predicated on sanctions and conditionality. The claim that it will make work pay is hard to accept when the number of people currently looking for work in NI is close to 115,000, yet there are fewer than 5,000 vacancies. This is compounded by the fact that the social security budget will reduce by £500 million in NI (£18 billion overall), making these proposals actual cuts dressed up as reforms. On that basis we would argue that the ***adverse impact in NI across the categories will be real and detrimental to health and well being due to the potential to increase poverty.***

It is proposed to calculate Universal Credit with reference to a standard allowance for persons who fall under the Section 75 Groups, including those with caring responsibilities or a severely disabled person. ***Can you confirm if the Severe Disability premium and the Carers premium will be paid simultaneously as they are now?*** Should this not happen then there will be adverse impact on those groups. ***How will this element be dealt with under Transitional Protection?***

We believe that carers who are predominately women will be adversely impacted by your proposals.

There is no detail in relation to the rates of Universal Credit to allow us to understand maximum amounts when combined with certain other benefits outside Universal

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Credit. In the absence of knowing what the other benefits are, we cannot determine any potential adverse impact and therefore the Department. Would not be able to identify or mitigate when so much information is absent.

54/Q5-Q6; 55/Q7; 56/Q8; 57/Q9-Q11; 58Q12;

Question 5: What are the potential advantages and disadvantages for claimants, delivery agents and advice services of changing the eligibility criteria for passported benefits under Universal Credit?

Advantages

If done correctly changing the eligibility criteria could streamline and simplify the passported benefits system. It could lead to better and more widely available information for claimants on the availability of passported benefits which would increase access.

Disadvantages

Congress is deeply concerned about the possible withdrawal of access to a range of passported benefits which provide important assistance to individuals and families alike. Any change to the eligibility criteria immediately raises concerns that fewer people will qualify for passport benefits. We recognise that with more claimants on Universal Credit the existing passport benefits may be more thinly spread. On balance the solution should still ensure those most in need receive greatest help. We recognise this poses challenges for keeping the arrangements simple. We would be concerned by any further moves to restrict access to support via passport benefits for people on benefits.

Congress urges the introduction of safeguards for those not eligible for UC such as Asylum Seekers who currently qualify for some passported benefits.

The intention to taper UC will result in the withdrawal of support leading to crises.

The option favoured by Congress is to passport all entitlement to all families on UC.

Question 6: How might passported benefits under Universal Credit be designed to enhance work incentives at no extra cost? How might this need to vary by type of passported benefit?

Congress believes the key to this may be about providing clear information about what passport benefits are paid on Universal credit and how a move into work will

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affect this. A passport calculation should be available to claimants from their Personal Adviser.

Work incentives cannot be enhanced using passported benefits unless there is significant investment. Ensuring entitlement reaches those in low paid work involves funding. Congress is opposed to measures that take money away from the poorest and most vulnerable households.

To ensure work incentives are not reduced by the way passported benefits are withdrawn, it may be necessary to integrate those of most significant financial value into Universal Credit. By extending access to everyone claiming Universal Credit this disincentive to work will be removed and parents will find returning to work easier. This will provide the exchequer with additional revenues from income tax and national insurance contributions which over time will offset additional costs from increased access to passported benefits.

Question 7: How could passported benefits be simplified under UC at no extra cost? What would be the advantages and disadvantages of simplification?

Congress recognises the desire to simplify access to passported benefits under Universal Credit, but this must be done correctly and not at the expense of the actual needs met by existing passport benefits. It is vital that passported benefits are considered in the simplification of the benefit system under Universal Credit. Delaying any change to passported benefits until after the roll out of Universal Credit can only lead to confusion and additional cost. Under the ideology of Universal Credit passported benefits should form part of the benefit assessment process. Individuals will then be made aware of what passported benefits are available to them at the point of claim. This will allow for more eligible people to claim and will also be a more efficient system for delivery staff.

Question 8: What would be the implications if in-kind passported benefits became cash benefits under Universal Credit? How, if at all, would these implications differ for different in-kind passported benefits?

While we appreciate that providing in-kind passported benefits as cash benefits would be the simplest option we have considerable concerns about this approach. Additional cash may be welcomed by some claimants and we understand that this does offer greater independence for individuals in receipt of passported benefits.

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However, this proposal could have a significant impact on some families in receipt of benefits. Many passported benefits are designed to guarantee real practical assistance to families and to children in particular. The removal of the actual service of passported benefits could have severe implications on the physical and mental wellbeing of children.

There are no guarantees if a cash benefit is paid that the same benefit will be realised. Further the Bill proposes that in joint applications Universal Credit is to be made as a single payment to one nominated person; we assume that the cash benefit in lieu of the passported benefits will be included in this single payment. It is likely that the nominated person will be the man for most claiming families. If so, this will severely limit the economic independence of women and could have a negative impact on children as money going into a family via the mother is more likely to be spent on the children.^[4] The potential impact on child poverty cannot be underestimated.

The Bill and policy behind it focus on getting people into work but it fails to address the extent and complexity of poverty. Child poverty stands at more than one in four children, with Northern Ireland the only part of the UK to have increased child poverty figures by 2 percent in 2009/10. ^[5] Moreover 21 percent of children live in persistent child poverty^[6] which is more than double the GB rate, and severe child poverty stands at 40,000 or almost 10 per cent.^[7] Therefore, if the guarantee associated with passport benefits for children's needs is lost the already grim situation could deteriorate further.

Question 9: If passported benefits were to be withdrawn as earnings increased and UC entitlement decreased, how might this be done? How, if at all, would this vary by type of passported benefit and what interactions between different passported benefits need to be considered?

Given the aim is to make the changes in a cost neutral way, it may be that some passport benefits are lost straight away while others are withdrawn more gradually.

Question 10: Can you please provide us with details of any research or other evidence, including case studies and specific examples, relevant to our enquiry?

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For further information on the potential impact in Northern Ireland consideration should be given to the following research:

IFS Briefing Note 114, *The Impact of Tax and Benefit Reform to be introduced between 2010/11 and 2013/14 in Northern Ireland*

Save the Children, *Severe Child Poverty in Northern Ireland*, Feb 2011

Women's Resource and Development Agency, *The Northern Ireland Economy, Women on the Edge*, July 2011

We are not aware of any specific research work into what motivates people into work which is Northern Ireland focused.

Question 11: Are there any other issues relating to passported benefits that you wish to draw SSAC's attention to? Please give details.

Consideration should be given to whether the effect of the withdrawal of passport benefits will be shielded by the principle that nobody shall be worse off under Universal Credit. We would also welcome further information about the way in which passport benefits will be administered outside of Universal Credit, for example, in relation to Pension Credit.

Changes to DLA also have a large impact on passported benefits. While that is not within the Terms of Reference of this consultation, it must not be forgotten about and the Committee must investigate these changes when the legislation is written. DLA and Attendance Allowance allow access to a range of other benefits which are vital to claimants, such as Motability, Free Road Tax, Blue Badge etc. When simplifying the rest of the system, this must be taken into account as the aim is to make savings of up to 20 percent as a result of the introduction of the Personal Independence Payment.

58/4

4. Conclusion

Welfare reform needs to take account of specific Northern Ireland circumstances. Congress encourages the Committee to consider the different circumstances in Northern Ireland for example, the lack of an equivalent to the Work programme, greater incidence of physical and mental ill health, lack of childcare, the predicted slower rate of economic recovery and greater incidence of large families. This needs

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to be considered when assessing the objective ramifications of any change to passported benefits for claimants in Northern Ireland.

Congress welcomes the opportunity to provide evidence to the Committee. We trust you will find our comments helpful. If there is any further way in which we could contribute to this process we would welcome the opportunity to do so.

NICICTU DRAFT – Oct 12**Claimants Responsibilities****Extracts for ICTU submissions****6/11; 11/7.1; 54/Q5-Q6; 55/Q7; 56/Q8; 57/Q9-Q11; 58Q12; 58/4****Printed for previous section**

Clause 13: Work-related requirements: introductory

Clause 14: Claimant commitment

Clause 15: Work-focused interview requirement

Clause 16: Work preparation requirement

Clause 17: Work search requirement

Clause 18: Work availability requirement

Clause 19: Claimants subject to no work-related requirements

Clause 20: Claimants subject to work-focused interview requirement only

Clause 21: Claimants subject to work preparation requirement

Clause 21: Claimants subject to work preparation requirement

Clause 23: Connected requirements

Clause 24: Imposition of requirements

Clause 25: Compliance with requirements

Clause 26: Higher-level sanctions

Clause 27: Other sanctions

Clause 28: Hardship payments

Clause 29: Concurrent exercise of certain functions by Department for
Employment and Learning

Clause 30: Delegation and contracting out

NICICTU DRAFT – Oct 12**Supplementary and General****Extracts for ICTU submissions****11/7; 12/(ii)**

Clause 31: Supplementary regulation-making powers

Clause 32: Supplementary and consequential amendments

Clause 33: Power to make supplementary and consequential provision etc

Clause 34: Abolition of benefits

Clause 35: Universal credit and state pension credit

Clause 36: Universal credit and working-age benefits

Clause 37: Migration to universal credit

Clause 38: Capability for work or work-related activity

Clause 39: Information

Clause 40: Couples

Clause 41: Interpretation of Part 1

Clause 42: Pilot schemes

Clause 43: Regulations

Clause 43: Regulations

Clause 44: Assembly Control

NICICTU DRAFT – Oct 12**Extracts for ICTU submissions****11/7****Printed for clauses 1-12****12/(ii)****(ii) Benefit Cap**

It is proposed to implement a household benefit cap from April 2013; this pre dates the planned introduction of Universal Credit in Oct 2013. In our view this is a cut that will impact on households already struggling to survive. ***We disagree with a cap that will adversely impact on families with multiple roles i.e. carers, parents and the disabled. We believe that households claiming Carers Allowance should not have a cap imposed.*** This is because this group of people are carrying out an important role in caring for disabled persons and in doing so are actually saving the Government millions of pounds per year. Therefore this cap has the potential to leave households vulnerable and having to make decisions as to whether they can continue to be carers. This therefore ***will adversely impact on both the Carer and the Disabled person.***

NICTU DRAFT – Oct 12**Part 2: Working-age benefits****Job seekers Allowance****Extracts for ICTU submissions**

7/15-16; 25/7.7; 26/7.8

Clause 45: Claimant commitment for jobseeker's allowance

Clause 46: Interviews

Clause 47: Sanctions

Clause 48: Procedure for regulation-making powers

Clause 49: Consequential amendments

Clause 50: Claimant responsibilities for jobseeker's allowance

NICICTU DRAFT – Oct 12**Extracts for ICTU submissions**

7/15-16;

LONE PARENT CONDITIONALITY. Congress believes that this will have a direct impact on women. Congress does not believe that there is an adequate childcare strategy in place to support this proposal Congress further believes that lone parents with a child with a disability/ies may be doubly disadvantaged. Congress is concerned that this proposal will increase the stress on those who are already struggling to cope and who are likely to be already living in poverty.

CONDITIONALITY, SANTIONS AND HARDSHIP. Congress again raises concern about a properly resourced and accessible childcare strategy. Congress is also concerned about the proposals for a 3 tier sanction strategy, which may in affect be more complex. Congress believes that imposing sanctions without putting in place proper and appropriate support mechanisms will lead to a spiral of poverty if people are forced to live below the standard set as a reasonable amount to live on.

25/7.7; 26/7.8

7.7 LONE PARENT CONDITIONALITY

The document states that **Lone Parents with children aged 5** and over will move either to Jobseekers Allowance or Employment and Support Allowance dependant on their circumstances. The movement of Lone Parents into the full conditionality group of Jobseekers Allowance will have an adverse affect on this group and this has a **direct impact on women** as more than 96% of Lone Parents are women. The document talks of an agreement under Jobseekers Allowance but this will be replaced by a commitment and the stringent conditionality requirements will apply to this group under Universal Credit.

The document refers to increased opportunity and equality of opportunity between men and women but as Northern Ireland has no childcare strategy and Lone

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Parents are already dealing with cuts applied to the help for childcare this mitigation has no tangible credibility.

The document also refers to the fact that Lone Parents who have responsibility for a **disabled child** over 5 will remain entitled to Income Support but Income Support will no longer exist and there is no mention of how long this exemption will apply nor how they will categorise this group under the new system: i.e. work preparation, keeping in touch with the labour market or no conditionality.

The economic crisis has created a rise in unemployment and there is an increase in job losses from the public sector where there would be greater flexibility for working lone parents. Lone parents face many difficulties and barriers in gaining employment and this will only be exacerbated in these tough labour market times. Congress is concerned that this conditionality could lead to greater increased stress and tension for lone parents, many of whom are already struggling to cope. Congress urges the NI Executive to work together to provide the childcare that is desperately needed and to ensure that lone parents are not disadvantaged through financial sanctions.

This section totally contradicts the next section which explains the conditionality requirements of customers. There is no mention of any easement for Lone Parents with children over the age 5 as they will fall into the full conditionality group. The impact of these changes on this group which is predominantly women has not been fully explored and the data used in the document is over a year out of date.

7.8 CONDITIONALITY: SANCTIONS AND HARDSHIP

Under the Welfare Reform EQIA **Lone Parents of children over 5** will have full conditionality, while a partner on a couples claim can have reduced or restricted conditionality on the basis that they have responsibility for a child between the ages of 5 and 13? Therefore ***Lone Parents with children in this age category (5-13) will be adversely impacted as opposed to couples in the same category.*** Also at present NI doesn't have a child care strategy and while the impact of childcare will be a consideration for couples conditionality, the impact on Lone Parents is

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ignored. The document on the whole with regards to conditionality, sanctions and hardship excludes Lone Parents by the very fact of not addressing their needs.

The paper states that all those who fall into the full conditionality category must sign a commitment to partake in any activity deemed reasonable by the governing department.

There are 3 tiers of sanctions applied in ascending order of conditionality and offence. The lower level sanction is applicable to both the ESA WRAG group and the group whose conditionality is limited capability for work under Universal Credit. The middle level sanction is applicable to Job Seekers actively seeking employment but excludes the use of the term Disallowance or Disentitlement within the labour market decision. The higher level sanction is applicable to those who refuse a reasonable job offer.

The new sanctions regime has the potential to be more complex than the existing one. Overall in our view ***it will be a wider ranging and harsher regime***. Unlike the stated low rate percentage of people sanctioned previously under JSA the new regime could see rising levels of sanctions imposed.

From the figures in the document it appears that those in the **age group aged 18-24** as the highest recipients of JSA would be more adversely affected by the changes proposed in the bill. These figures however are not accurate as they are only taking account of 52,414 unemployed and the actual current unemployment rate is not included. It also does not take into account partners on JSA claims with dependants under 16, Lone Parents or partners on IS claims. It follows therefore that the overall impact on various age groups will be greater than the data used would suggest.

Hardship is a reduced level of benefit which is deemed necessary as the customer and their family would be at risk if it was not paid. The Hardship payment exists within the benefit system as a safety net for customers who find themselves in this situation. In the current benefit system a customer who is sanctioned can apply for Hardship.

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In the new system a customer will have no option but to take what now would be a Hardship loan to cover the period of their sanction. This loan would then be recoverable at the end of the sanction period. This in itself creates a spiral of poverty as customers/families are being forced to continuously live below the standard set as a reasonable amount to live on.

NICICTU DRAFT – Oct 12**Employment and Support Allowance****Extracts for ICTU submissions**

6/12; 20/7.4; 23/7.5

Clause 51: Dual entitlement

Clause 52: Period of entitlement to contributory allowance

Clause 53: Further entitlement after time-limiting

Clause 54: Condition relating to youth

Clause 55: Claimant commitment for employment and support allowance

Clause 56: Work experience etc

Clause 57: Hardship payments

Clause 58: Claimant responsibilities for employment and support allowance

NICICTU DRAFT – Oct 12**Extracts for ICTU submissions**

6/12;

EMPLOYMENT SUPPORT ALLOWANCE. We believe that this proposal will have severe impact on those with disabilities. We are concerned that this change will affect adversely those who are terminally ill. Those who have chronic illness, older people and younger people. We believe that at what may be a person's most challenging and stressful time in their lives to take away financial independence is likely to be discriminatory and is most unfair. Congress also wishes to raise the issue that an individual could have paid into the National Insurance Scheme for 30/40 years whilst in employment yet all they can now expect to receive back is one year's contributory benefit, this is a fundamental change to the National Insurance Scheme and would beg the question where does the rest of the money go from that individuals contributions paid over 20/40 years?

20/7.4; 23/7.5

7.4 TIME-LIMITING CONTRIBUTORY EMPLOYMENTS AND SUPPORT ALLOWANCE TO ONE YEAR FOR THOSE IN THE WORK RELATED ACTIVITY GROUP

Currently if a person pays the appropriate National Insurance Contributions and satisfies the Contribution Conditions of Employment and Support Allowance, they remain entitled to Contributory Employment and Support Allowance until they are found capable of work following a Work Capability Assessment, carried out by a professional healthcare worker. Under the revised rules, regardless of the fact that it has been determined at a medical assessment that they are unfit for work, customers benefit will cease after receiving Contributory Employment and Support Allowance for only one year.

This seems to be based on the assumption that customers claiming incapacity benefits are fit to return to the workplace within one year of falling ill. Is there any evidence to support this assumption? Long-term Incapacity Benefit customers who

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are currently being assessed under the Work Capability Assessment in order to transfer to Employment and Support Allowance are in the main being found incapable of work - only 18% of 4500 assessed were disallowed benefit.

The proposed change will have a severe affect on “people with disabilities” covered by Section 75 – people whose disability or loss of functionality is significant and due to their on-going condition are not fit to work and need continued support of the welfare state.

The limiting of Contributory Employment and Support Allowance to one year for customers in the Work Related Activity Group will disproportionately affect older people as 47% of people in this group are aged 50 or over. This group have already limited job prospects in what is already a very small and competitive area. It is also likely that a higher proportion of older people will not qualify for Income Related Employment and Support Allowance and thereby further reduce their standard of living.

Customers with terminal illnesses with a life expectancy of more than 3 months or those that require regular dialysis will be placed in the Work Related Activity Group and subsequently denied financial support in what is a very challenging and stressful time of their lives. Macmillan Cancer Support say 70% of cancer patients face financial worries as a direct result of their disease and have estimated they will be £94 a week worse off. This is obvious discrimination against this section of society. These people who will have paid into the National Insurance scheme for most of their working lives and are now excluded for it after one year.

A person with a chronic illness should be able to have financial independence and not have to rely on the financial support of partners, many will be a **carer** who may also be the sole provider and who as we pointed out will be disadvantaged on multiple levels by your proposals. Expecting a person with a chronic illness to rely on the support of their partner after just a year of illness may put that person at a disadvantage compared to a person who does not have a partner because that person may be more likely to be entitled to income related Employment and Support

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Allowance. ***It may also discriminate against a Person with Dependents and people, who may be working whilst caring for the disabled or terminally ill partner.***

The figures in the consultation paper relate simply to those customers currently in the work related activity group receiving Contributory Employment and Support Allowance. It does not take into account the potentially very large volumes of customers who enter the work related activity group as a result of Incapacity Benefit/Income Support Reassessment.

Reference is made in the EQIA that individuals who do not qualify for income related Employment and Support Allowance will have access to the support of the Work Programme. This is not available to any customer living in Northern Ireland.

7.5 ABOLITION OF CONCESSIONARY EMPLOYMENT AND SUPPORT ALLOWANCE ‘YOUTH’ NATIONAL INSURANCE QUALIFICATION CONDITIONS

The proposal to abolish Employment and Support Allowance for Young People is being made without access to any data relating to Employment and Support Allowance for Young People. All the data relates to Incapacity Benefit in Youth so this is at best inaccurate, and at worst deeply flawed.

Employment and Support Allowance in Youth is a support mechanism for the most vulnerable young people in society, specifically “young people who have severe mental or physical disabilities”. To remove this step into benefits would have a severely detrimental impact on this group.

Employment and Support Allowance Youth enables incapacitated young people to qualify for contributory Employment and Support Allowance when due to their age and disability they would not have had the opportunity to qualify for the benefit under the normal contribution conditions.

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The mitigation states that the abolition of the ‘youth’ provisions will put this group on the same contributory footing as everyone else. Simply put, the ***young people who now qualify for employment and Support Allowance Youth would not be able to qualify for Employment and Support Allowance*** as they would not have had the opportunity, due to their age and their disabilities to pay enough contribution to satisfy the contribution conditions and therefore qualify. Although it may seem to be putting people on an equal footing ***it is deeply discriminatory against disabled young people under Section 75.***

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Income Support

Extracts for ICTU submissions

7/15

Clause 59: Entitlement of lone parents to income support etc

Clause 60: Claimant commitment for income support

NICICTU DRAFT – Oct 12**Extracts for ICTU submissions**

7/15

LONE PARENT CONDITIONALITY. Congress believes that this will have a direct impact on women. Congress does not believe that there is an adequate childcare strategy in place to support this proposal Congress further believes that lone parents with a child with a disability/ies may be doubly disadvantaged. Congress is concerned that this proposal will increase the stress on those who are already struggling to cope and who are likely to be already living in poverty.

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Entitlement to Work

Extracts for ICTU submissions

6/13; 24/7.6

Clause 61: Entitlement to work: jobseeker's allowance

Clause 62: Entitlement to work: employment and support allowance

Clause 63: Entitlement to work: maternity allowance and statutory payments

NICICTU DRAFT – Oct 12**Extracts for ICTU submissions**

6/13;

ENTITLEMENT TO WORK CONDITION – CONTRIBUTORY BENEFITS AND STATUTORY PAYMENTS. Congress is concerned that this proposal may discriminate against migrant workers. Congress is not satisfied that all support mechanisms are in place to assist with documentation particularly when the person may have a disability or when English is not their first language.

24/7.6

7.6 ENTITLEMENT TO WORK CONDITION – CONTRIBUTORY BENEFITS AND STATUTORY PAYMENTS

Currently anyone subject to immigration control does not qualify for means tested, non-contributory benefits, however it is possible that illegal workers could be paying enough National Insurance Contributions (NI Cons) over an appropriate period to qualify for contributory benefits or statutory payments.

The proposed change in policy is the introduction of the entitlement to work rule to contributory benefits and statutory payments.

The proposed introduction of the entitlement to work aspect to contributory benefits would essentially mean that workers who have paid NI Cons would have paid for a service provision that they would never be able to receive.

It seems reasonable that if you pay into an “insurance” scheme then you should be able to avail of the benefits of that scheme.

There are no figures available according to the report, regarding the number of people working illegally (i.e. without an entitlement to work) in Northern Ireland so simply to assume that this change would only affect a limited number of people would be wrong.

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It is our contention that the introduction of this policy would disproportionately affect young migrant workers who have come to Northern Ireland to look for work and to enjoy a better life. To exclude them from receiving the contributory benefits that they paid and qualified for would appear to us to be deeply discriminatory.

NICICTU DRAFT – Oct 12**Part 3: Other benefit changes****Extracts for ICTU submissions**

6/11; 8/18; 8/20; 19/7.2-7.3; 31/7.10; 32/7.13;

Clause 64: Injuries arising before 5th July 1948

Clause 65: Persons under 18

Clause 66: Trainees

Clause 67: Restriction on new claims for industrial death benefit

Clause 68: Determinations

Clause 69: Housing benefit: determination of appropriate maximum

Clause 70: Ending of discretionary payments

Clause 71: Purposes of discretionary payments

Clause 72: Determination of amount or value of budgeting loan

Clause 73: Community Care Grants

Clause 74: State pension credit: carers

Clause 75: State pension credit: capital limit

NICICTU DRAFT – Oct 12**Extracts for ICTU submissions**

6/11;

HOUSING BENEFIT. We believe that the impact on older people in particular is not only unfair but cruel. People will be forced to give up their ‘family home’ or be penalised, tenants cannot be treated as commodities. Congress believes that families will also be disadvantaged where people are returning to the family home due to loss of work, illness, relationship breakdown etc.

8/18;

INDUSTRIAL INJURIES BENEFIT. Congress is concerned about proposed removal of the right to apply for an accident declaration. What are the committee’s views on this?

8/20;

1. **SOCIAL FUND.** Many of those claiming from the Social Fund are those who are most disadvantaged and vulnerable. Many also have been affected by the conflict.

19/7.2-7.3;

7.2 RESTRICTION OF HOUSING BENEFIT ENTITLEMENT IN THE SOCIAL SECTOR

It is clear this proposal is aimed at seeking to reduce the overall budget for Housing Benefit. This policy would impact negatively on the older person who because of this change may be forced to move to smaller accommodation purely because their children have left home. This will impact negatively on individuals whose “home” will effectively be removed from them because they can no longer live in their home because of the reduction in Housing Benefit. Is it not a right that older people (even less than State Pension Age) should be able to live in dignity and not be forced to give up their “family home” for the reasons set out in the EQIA? Similarly male single Housing Benefit claimants will be negatively impacted upon. While the data does not show the reasons for the larger proportion of single males claiming Housing Benefit it is likely to be because of family and relationship breakups which mean that more males are single than females. It is therefore not acceptable to force a single male to move home because of this element.

A tenant and their families should not be treated like a commodity which can be hived off or moved from their home which they may have lived in for many years because of a downsizing of their family unit. Tenants are real people who deserve to be treated with dignity.

The proposal also does not take account of children and others returning to the family home in cases of having worked abroad (and perhaps returning home due to job loss in the world economic crisis), returning from university, in the event of relationship breakdown, illness or a whole host of other reasons which mean that the home and family support is vital.

7.3 HOUSING BENEFIT UP-RATING LOCAL HOUSING ALLOWANCE BY CONSUMER PRICE INDEX

This is a general issue which impacts on all categories. Congress believes the Government's decision to up rate benefits by the CPI rather than the RPI is an error and will have a long term effect on the value of all benefits including the proposed Universal Credit. Congress is strongly opposed to the up rating of benefits by CPI rather than RPI.

31/7.10;

7.10 INDUSTRIAL INJURIES DISABLEMENT BENEFIT

The Consultation document states the removal of the right to apply for an accident declaration will not result in financial loss and is often a nugatory process. The Accident Declaration is used by workers to have it on record that they have suffered an accident in the workplace, but may not at that time be incapable of work for more than 90 days and therefore not entitled to Industrial Injuries Benefit. However, having the accident recorded, they will be covered should their health deteriorate at a later stage and they then need to make a claim to Industrial Injuries Disablement Benefit. It is also used by workers who may want to claim through their employers' schemes. How will this be done if this process is removed and how does a worker prove an accident occurred? ***Clearly the absence of a declaration has the***

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potential to impact adversely on “people who may develop disabilities” through an injury or disease in the workplace.

32/7.13;

7.13 SOCIAL FUND

Under proposed arrangements will the Treasury continue to provide adequate funding to a scheme to replace the existing Social Fund that will provide for the most vulnerable in Northern Ireland?

Unemployment in many parts of Northern Ireland has reached a peak and continues to rise creating a greater need for Social Fund payments as many struggle to pay debts. There has been a greater need for alignment awards as time for JSA appointments has increased due to the workload and increase in the JSA register.

Age - Crisis Loans

Table 23 Figures of June 2010 show that there were 150,380 Crisis Loans awards made in year 2009/10 of which 34% was from **18-24 year olds** and 29% from **25-34 year olds**. Many of this group will be **Lone Parents** and **young people with a disability**. Many have little qualifications while others have a learning disability. Some come from areas of deprivation associated with the conflict and where the current education system has failed them. This is also fuelled with unemployment being at an all time high. This age group find it difficult to get work as there are no jobs and even when there are jobs they tend to be unsuccessful as they don't have experience.

The support mechanism for this age group has decreased over the years mainly due to the fact that Northern Ireland is coming out of conflict with all its consequences of deprivation and associated problems unique to Northern Ireland.

Many in the **18-34 age groups** suffer from Post Traumatic Stress Disorder and associated problems which stem from the conflict and troubles in Northern Ireland and continue to be fuelled by residual issues, for example:

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- alcoholism,
- drugs,
- attempts to establish themselves in the community after custodial sentences and discharge from institutional and residential accommodation

Many of this age group for various reasons come from broken and single parent households. Many are estranged from their parent(s) and lack a stable environment.

- Figures produced by the Peace and Reconciliation Office in NI prove that issues associated with the legacy of the troubles and conflict are unique to Northern Ireland and that the same problems do not exist in other regions of the UK. Statistics showing the level of intimidation and threat amongst this age group continue to escalate. The victim depends solely on Social Fund to meet the urgent need at the time for example – to help them get out of the area to avoid paramilitary attack.
- This vulnerable group often have no access to credit facilities and depend on Social Fund for basic living expenses and payment of bills which others take for granted. Quite often they have no one to turn to for support.
- Crisis Loan customers require Social Fund for basic living expenses as they struggle to pay off the deficit between Housing Benefit and the rent for their accommodation.
- Customers on discharge from prison and institutional or residential accommodation depend on crisis loans to enable them to establish themselves back into the community.
- Crisis Loans are also used as an attempt to alleviate the group from the fuel poverty trap. Energy fuel prices in Northern Ireland are significantly higher in comparison to those in other regions.
- Many claim crisis loans for the purchase of heating oil especially due to the last 2 harsh severe winters. Pensioners get an annual fuel allowance payment. They and customers who are disabled and those with children under 5 get a Cold Weather Payment if the conditions are satisfied whilst the 18-34 years old making up the majority of the crisis loans applications have to rely on a loan to purchase heating energy. This leads to fuel poverty amongst the young in our society.

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- They are often estranged from their families and have no means of support, savings or access to credit facilities. The Social Fund was their only protection from ending up on the streets as homeless.

Table 24 shows that 73% of the age group **18-24 year olds** Social Fund Crisis Loans had a favourable decision and 76% of **25-34 year olds**.

- These groups are largely made up of **Lone Parents, young people with learning difficulties and mental illness** with many of the issues stemming from the conflict.
- 36% of 18-24 group and 45% of 25-34 year olds have children under 5 making it difficult for them to work even if they had the necessary skills and qualification.
- They don't have access to proper and reasonable child minding or built in support mechanism from family and friends. It is argued that there is a pandemic of teenage pregnancies and young single mothers in Northern Ireland.
- Erosion of Social Fund crisis loans would have a detrimental effect on the **age group of 18-34** year olds for the reasons listed above. Older customers have a better chance of getting a Community Care Grant as they satisfy the criteria more than the younger age group.

Gender - Crisis Loans

- 55% of crisis loans in year 2009/10 was made to **single males** in comparison of 39% to **single females**.(Table 27)
- The majority of applications were made by unemployed JSA customers
- It could be argued that females have a better chance of getting a Community Care Grant as opposed to a crisis loan as females tend to be Lone Parents with young children under 5.
- Another reason for the contrast in the number of crisis loans between males and females is possibly due to the economic recession and loss of jobs in the Construction industry (mainly male jobs).
- Males tend to claim crisis loans on discharge from prison and institutional or residential accommodation to enable them to establish themselves back into the community.

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- Figures produced by Peace and Reconciliation office in NI prove that issues associated with the legacy of the troubles and conflict are unique to Northern Ireland and that the same problems do not exist in other regions of the UK. Statistics showing the level of intimidation and threat amongst males in society continue to escalate. These males often have no access to credit facilities and depend on Social Fund for basic living expenses and payment of bills which others take for granted. Quite often they are estranged from their families and have no one to turn to for support.
- Males tend to apply for crisis loans for rent in advance and household items to set up home whilst a female with children is more likely to be awarded a Community Care Grant.
- Males require Crisis Loans from Social Fund for basic living expenses as they struggle to pay off the deficit between HB and the rent of their accommodation.
- They also use Crisis Loans as an attempt to alleviate fuel poverty. Energy fuel prices in Northern Ireland are exorbitant. Females with young children get a Cold Weather Payment if the conditions are satisfied whilst the male has to rely solely on a crisis loan.

Disability - Crisis Loans and Community Care Grants

There were no figures for crisis loans for year 2009/10 available from the Social Fund data scan for people with a disability.

However we do know that 96.8 % of **Lone Parents are females** (Page 58) and 22% of Lone Parents in comparison with 19% of working people has a **disability** as defined under the DDA and can be included in the group with disabilities. These disabilities include many different groups including those suffering from;

- Mental and Behaviour problems.
- Patients/residents being discharged from institutional and residential accommodation.
- Musculoskeletal problems.
- Post Traumatic Stress Disorder and associated problems stemming from the troubles in Northern Ireland , for example:
- Alcoholism.
- Drugs.

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- People with a disability find it difficult to find work and employers may be biased and discriminate against this group.
- This group depend on crisis loans to meet their short term need and how will they manage if crisis loans were stripped away. They are often not entitled to Budget Loans or Community Care Grants as many are in receipt of Incapacity Benefit which does not qualify them.
- People with a disability often have a greater need in comparison to those without a disability.
- They normally feel the cold and require extra heating.
- Up to last year they had to pay for their medication.
- Depending on their disability their mobility may be limited resulting in extra travel costs as often they will have to travel by taxis rather than walk or public transport.
- They normally have more hospital appointments incurring travelling expenses which aren't refundable if they are not in receipt of a qualifying benefit.
- They often need help with caring and daily living issues such as housework, preparation of meals, shopping, washing etc.

Age - Community Care Grants (CCGs)

The loss off CCGs will have an adverse affect on the most vulnerable in our society. CCGs are non payable grants paid for a range of expenses including household equipment and the intent is to keep people in the community rather than enter institutional or residential care. Payments are also made to allow customers to attend a relative's funeral and visit sick relatives and care call alarms for the elderly.

24,936 awards were made in year 2009/10 year totalling £13.67 million. The majority of those accepted for CCGs are the **over 45 year olds and the elderly.**

If the CCGs scheme was eroded it would have detrimental impact on both the **elderly and single parents of which most are female falling into the 18- 34 age** bracket. This proposal will greatly affect their health and safety by putting more and more pressure on the home and families resulting in many incidents and potential admission to residential accommodation.

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This group of young females is made up of single parents with young children and others with unplanned pregnancies of whom many are estranged from their parent(s). The CCG is their only life line or else to be admitted into care.

Gender

52 % of CCGs awarded in 2009/10 was paid to single females compared to 32% of single males, the reason being primarily that females are more likely to be caring for children and satisfy the criteria easier than males. Any dilution of this provision will have an adverse impact on this group.

Disability

There are no statistics for people with disabilities claims and awarded CCGs but office statistics would indicate that **pensioners with a disability** are more likely to be paid CCGs as there may be a risk of entering residential accommodation compared with younger people with disability.

As we see it the government is planning to strip away any help from social fund for people in genuine need. Lone parents need help to keep their family together and protect their health and safety. The elderly are scraping by on what little pension they already have. Even now most pensioners are faced with the daily choice of whether to heat their homes or whether to eat. These are the people that need help. Overall, NIPSA are concerned that the proposals in the Welfare Reform Bill will impact adversely on the above mentioned groups.

Age - Alignments

The **age group 18-24** years old will suffer and be discriminated against if Social Fund alignments are abolished and replaced with Universal Credit interim payments.

- The majority of Crisis Loan applications were made by unemployed JSA customers in the age bracket **18-34 years old**.
- 39% of crisis loans for alignment purposes were paid to 18-24 year olds and 26% to those **aged 25-34**.

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- Many of these young people have ongoing issues and are estranged from their parents.
- This age group normally move between training and JSA and ESA and JSA They depend on an alignment award to meet their basic needs until their JSA/ESA is awarded.
- They have no access to credit and have no savings. They are less likely to have a partner to rely on for short term assistance until their benefit is processed.

We have are concerns about what might happen if a benefit application to Universal Credit is complex and the Decision Maker decides not to make an interim payment, for instance:

- There will be a greater movement of customers moving between being sick and unemployed. Many of these customers from the **younger groups** will fail the capability test yet not satisfy the conditions as being able to work. What will happen to these **vulnerable customers** and what will they do for basic daily living expenses.
- If the Interim Payments are stripped away how will the person starting work and not receiving their first wage until the end of the month and in some case the following month manage as with the current system they could be paid an alignment to their wages. This again could affect **18-24 year olds and lone parents**.
- How will the person manage leaving benefit to start work as currently if not entitled to a job grant they could apply for an alignment to their wages. Many of these customers are estranged from their parent(s), have no savings or access to credit

Section 75; if the current Social Fund crisis loans are stripped away there could be potential discrimination against the **young and disabled in our society**. These groups are unlikely to have savings or access to credit facilities or have a partner on whom they can depend on for financial assistance in the short term.

If the Social Fund is replaced with a scheme delivered by an organisation other than the SSA will there be consistency in the decisions? Will there be a possible conflict

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of interest? If it is delivered by local authorities or Social Services will the decision be neutral or will the decision be influenced by local knowledge rather than making decision based on the evidence ensuring that the law is satisfied.

If the scheme was delivered by Social Services would it impact on custody of children etc issues? Would the customer be entitled to a review/appeal if not satisfied with the outcome? Overall we are concerned that if there is a diminution of the services the vulnerable groups highlighted in the above paragraphs will be impacted. Congress are of the view that Social Fund services must remain within the Social Security Agency/DSD as our members are the experts in delivering this vital support to those vulnerable and disadvantaged in our communities.

NICICTU DRAFT – Oct 12**Part 4: Personal independence payment****Extracts for ICTU submissions**

7/17; 28/7.9

Clause 76: Personal independence payment

Clause 77: Daily living component

Clause 78: Mobility component

Clause 79: Ability to carry out daily living activities or mobility activities

Clause 80: Required period condition: further provision

Clause 81: Terminal illness

Clause 82: Persons of pensionable age

Clause 83: No entitlement to daily living component where UK is not competent state

Clause 84: Care Home Residents

Clause 85: Hospital in-patients

Clause 86: Prisoners

Clause 87: Claims, awards and information

Clause 88: Report to the Assembly

Clause 89: Abolition of disability living allowance

Clause 90: Amendments

Clause 91: Power to make supplementary and consequential provisions

Clause 92: Transitional

Clause 93: Regulations

Clause 94: Interpretation of Part 4

NICICTU DRAFT – Oct 12**Extracts for ICTU submissions**

7/17;

1. **DLA/ PERSONAL INDEPENDENCE PAYMENT.** Congress is concerned that one of the purposes of PIP is to reduce spend on those with disabilities. Congress urges the committee to take into account the level of disabilities including mental health conditions in NI due to the conflict. The committee may be aware of the recent World Mental Health survey carried out by the University of Ulster and Omagh based trauma treatment experts, who concluded that NI has the world's highest recorded rate of post traumatic stress disorder. The survey showed that violence had been a distinctive cause of mental health problems and suggested that 40% of the population have had a conflict related traumatic incident. Further to that the lead researcher stated that "the report provides policy makers with the most reliable available information upon which they will be able to base their choices".

28/7.9

7.9 DISABILITY LIVING ALLOWANCE REFORM

As yet the final decision on the replacement of Disability Living Allowance (DLA) by the Personal Independence Payment (PIP) has yet to be determined. Therefore exactly how the new benefit will function in relation to any EQIA cannot be commented on.

However it is clear that ***part of the purpose of PIP is to reduce the number of benefit recipients and then to reduce the current DLA spend by 20%***. Evidently this will, by its very nature, ***have serious consequences on "people with disabilities"*** and there are widespread concerns about the impact this will have on the largest group of DLA customers, ***those with "mental health problems"***.

- There is no indication that the new benefit will make the new assessments more consistent or transparent.

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- The levels of benefit payable for the two components has yet to be determined, therefore, it is difficult to assess how groups will be affected.
- Eligibility for PIP will increase the qualifying period from 3 to 6 months. This will have an adverse impact on those with disabilities.
- Moving away from automatic entitlement based upon certain conditions such as visual impairment or deafness will have an adverse effect on customers with this entitlement.

From March 2013 withdrawing the mobility component from PIP customers if they go into a care home will have an adverse affect not only on the customer but also on family who may be availing of the mobility scheme.

There is no evidence that the new benefit will enable disabled people to overcome barriers to lead full independent lives. With less money how will this be possible?

Our current understanding is that disability charities and user led organisations have grave concerns on the effect of this new benefit will have on disabled people.

Age

There are widespread concerns that, while these new proposals will only apply to working age customers, PIP will roll out to **under 16's and over 65s**.

Gender

Our current understanding of the new benefit is that the low rate care component will be removed and based on current statistics more **women** than men will be adversely affected.

Persons with a disability and persons without

There is no evidence to show that this new benefit is better focused in supporting people to overcome barriers to participation. There is also no indication as to what these barriers to participation are.

Mitigation

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There is no indication that this new process will remove any barriers to the disabled.

How can this new process be a fairer benefit when the number of components is being reduced and the knock on effect on the rest of the health service has not been taken into consideration?

As the knock on effects on passported benefits such as **carers** allowance and the disability premium has yet to be determined therefore cannot be commented on. But with a reduction in the amount of people entitled to the new PIP there will be a subsequent reduction in entitlement to carers allowance and the disability premium.

NICICTU DRAFT – Oct 12**Part 5: Social Security: General****Extracts for ICTU submissions**

5/10; 8/19; 8/21; 41/7.15; 43/7.17; 51/7.11

Clause 95: Benefit Cap

Clause 96: Benefit cap: supplementary

Clause 97: Claims and awards

Clause 98: Powers to require information relating to claims and awards

Clause 99: Payments to joint claimants

Clause 100: Payments on account

Clause 101: Power to require consideration of revision before appeal

Clause 102: Electronic communications

Clause 103: Recovery of benefit payments

Clause 104: Deductions from earnings: other cases

Clause 105: Application of The Limitation (Northern Ireland) Order 1989 (S.I. 1989/1339) (N.I.11)

Clause 106: Powers to require information relating to investigations

Clause 107: Time limits for legal proceedings

Clause 108: Prosecution powers of the Housing Executive

Clause 109: Penalty in respect of benefit fraud not resulting in overpayment

Clause 110: Amount of penalty

Clause 111: Period for withdrawal of agreement to pay penalty

Clause 112: Civil penalties for incorrect statements and failures to disclose information

Clause 113: Benefit offences: period of sanction

Clause 114: Benefit offences: sanctions for repeated benefit fraud

Clause 115: Cautions

Clause 116: Information-sharing in relation to provision of overnight care etc

Clause 117: Information-sharing in relation to welfare services etc

Clause 118: Unlawful disclosure of information

Clause 119: Sections 116 and 118: supplementary

Clause 120: Information-sharing for social security or employment purposes etc

NICICTU DRAFT – Oct 12**Extracts for ICTU submissions**

5/10;

BENEFIT CAP. We believe that this will adversely impact on families with multiple roles i.e., carers, parents and those with disabilities. We are also concerned about the issue of Housing Benefit and how the proposal will work. We are unclear of how the benefit will work on the grounds of age. We are concerned that the cap will have a negative affect on women and children, particularly those living in poverty. Will the cap adversely affect larger families? We are concerned and unclear about the calculation which may be used for the cap. Will it be the GB median wage or not? We remain concerned also about the NI childcare strategy or lack of one, which is a major barrier to assisting mainly women into work.

8/19;

FRAUD PENALTIES AND SANCTIONS. Congress is concerned about the phrase 'attempted fraud' Congress is concerned about this proposal which includes a charge if people are found 'negligent' with their claim. Congress raises the issue of the poor educational attainment particularly amongst those most disadvantaged which lead to forms and policy documents etc not being fully understood or properly filled in. Congress also raises these concerns in relation to those with disabilities and those who have little or no English. Congress believes that this proposal has the potential to create a vicious cycle of debt.

8/21;

Congress also has concerns around the issues of payment on account of benefits, revision before appeal, child maintenance and parity.

41/7.15;

7.15 CONSIDERATION OF REVISION BEFORE APPEAL

The current policy is that if a customer is unhappy with or disputes a decision made, they can either ask for an explanation of the decision, ask for the decision to be

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looked at again i.e. a reconsideration or appeal against that decision or all of the above.

There is at present no requirement for a customer to ask for an explanation or reconsideration prior to the lodging of an appeal.

Based upon the figures provided, during the year 2010 – 2011 there were 14,333 appeals registered with The Appeals Service (TAS). Of the 14,333 recorded by TAS, 12,428 (86.7%) were in connection to sickness or **disability benefits**.

Of the 12,428 appeals relating to sickness or disability benefits, 5538 or 44.56% were appeals against Employment & Support Allowance decisions. The vast majority (85%+) of ESA appeals are in connection with negative outcome decisions after the Work Capability Assessment (WCA).

Currently if a customer has a negative WCA outcome decision, their payments stop immediately. If a valid appeal against this decision is received then payments can be reinstated pending the outcome of the appeals process. Forcing customers to go through at least 1 and possible 2 more steps will greatly delay the resumption of payments to customers who have doctor certified incapacities or disabilities.

Based on the figures provided 1463 (26.4%) of the ESA appellants won their appeals once they had been heard by a full independent tribunal and is simply wrong to intentionally make incapacitated and **disabled people** have to wait longer on their benefits, which is frequently their only source of income, being reinstated.

The figures in the Equality Impact Assessment do not take into account the ongoing Incapacity Benefit/Income Support reassessment which is moving customers from IB & IS to Employment Support Allowance. This will greatly compound the number of people affected. Whilst the EQIA does reference IB appeals, this number is not robust as during the past number of years IB medicals had been deferred due to the introduction of ESA.

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This policy will greatly disadvantage “disabled and incapacitated” customers at a period in their lives when they need more support from the government and the state, not less.

Much of this new policy is also unnecessary as “The Harrington Report” into ESA and the weaknesses of the WCA process has already made recommendations that reconsideration is automatically carried out as part of a more robust and expansive appeals process. The appeal writer will look critically at the original outcome decision and will carry out a reconsideration based on all the available evidence. It is our contention that not only is the introduction of this policy discriminatory towards disabled peoples it is also wholly unnecessary.

43/7.17;

7.17 CHILD MAINTENANCE

In April 2011 NIPSA, one of our affiliates, submitted a response to the Green Paper “Strengthening families, Promoting Parental Responsibility” which detailed proposals to change the future delivery of Child Maintenance.

Among the concerns that were highlighted at the time, reference was made to a number of issues and these included observations on the possible impact on equality. We would like to take this opportunity to develop the points made at that time.

31/7.11

7.11 FRAUD PENALTIES AND SANCTIONS

The proposed changes in the Welfare Reform bill plan to make the penalties for fraud more stringent. It is also intended to “widen the punishments available for attempted fraud”. ***It is not clear what “attempted fraud” actually is.***

It is stated that Hardship payments at a reduced rate will be available for vulnerable groups who are subject to penalties and sanctions. Hardship payments are currently a reduced rate of benefit usually 60%. It is not clear if this is what is meant by a reduced rate or if Hardship payments will be reduced even further.

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It is claimed that these changes will not discriminate against any one group. It states that hardship payments at a reduced rate will be available for vulnerable groups and for those who would be left in hardship if they did not receive any benefit payment. However anyone not in a vulnerable group will have to pay these hardship payments back from future benefit. This means the **customer will be surviving on a reduced rate of benefit. This will cause more hardship to the customer forcing them to claim social fund and sending them into a vicious cycle of debt** they will not easily recover from. They will also be charged £50 if they have been negligent with their claim which could be most if not all of their weekly rate.

It is claimed that the circumstances for all benefit fraud will be looked at before introducing the penalties. Mitigation factors such as serious illness or disability will be considered under the public interest test. Who will administer this test? Will it be the department or the public prosecution service?

The penalty's that are proposed in this bill are harsh and extreme. They will only cause more hardship to customers who are already vulnerable. Further information about implementation of the new regime is needed before adverse impact on Section 75 groups can be properly assessed

NICICTU DRAFT – Oct 12**Part 6: Miscellaneous****Extracts for ICTU submissions**

44-46

Clause 121: Supporting maintenance agreements

Clause 122: Collection of child support maintenance

Clause 123: Indicative maintenance calculations

Clause 123: Indicative maintenance calculations

Clause 125: Fees

Clause 126: Exclusion from individual voluntary arrangements

Clause 127: Use of jobcentres by sex industry

Clause 128: Reduced fee for dog licences

Clause 129: Orders of Secretary of State under Administration Act

NICICTU DRAFT – Oct 12**Extracts for ICTU submissions**

44-46

SUMMARY

The main proposals put forward in the Green Paper include the provision of a new IT system, a simplified calculation process, a “gateway” whereby parents would be provided with assistance in making their own family based arrangements and finally the introduction of charges for some aspects of the new statutory service.

The initial response broadly welcomed the provision of an improved IT system which had been highlighted in the Henshaw Report (2006) as one of the Agencies failings at that time.

We have a number of serious concerns surrounding the introduction of charges for calculating the liability and also the collection service that will manage cases where the parents have been unable to reach their own private agreements.

Other ***issues*** that ***were highlighted*** were mainly ***relating to the delivery of the advice and guidance and who might provide this service and additionally it was queried that the validity of some of the “assumptions” underpinning the whole approach was questionable.***

We believe that the current Child Maintenance and Enforcement Division has made significant progress in a number of key areas including the number of ***children benefiting***, amount of maintenance collected and the cost of each £1 collected. It is our belief that ***this progress should be continued*** and that the provision of a ***new, improved, IT system*** and simplified, more transparent calculation process ***would see significant further improvements.***

The CMED’s greatest asset is the skills and knowledge of its staff however the recruitment embargo coupled with higher than average attrition has had the effect of reducing staffing levels significantly and been detrimental to the progress of the CMED in general.

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The main components of the proposed new service and our comments are detailed below.

The Gateway

It is anticipated that the Gateway process will enable families to reach mutual agreement and that this will then have a beneficial effect on the children involved reducing the number of cases managed by the Agency. Given that the Options Service has been in operation since 2008, by March 2010 an estimated 13% of parents who availed of this service subsequently went on to make their own arrangements and a similar number went on to use the statutory service. What evidence is there that this has proven to be a cost effective service?

A concern shared by not only by Congress but also the Women's Support Network and Gingerbread among others is ***that many lone parents will be pressurised into making inappropriate agreements rather than pay the charges that the new system proposes.*** With the vast majority of **Parents with Care (PWC) being women, 93% in NI**, and given that there is ample evidence that they are a group who are particularly vulnerable to poverty, what guarantees are there that the proposed changes will not exacerbate this known problem?

Calculation Only Service

Once an initial calculation of liability has been carried out, any further calculation will be subject to additional charges. The initial calculation has been estimated as being between, £20-£25 with reductions for PWC's on benefits. Previous estimates had estimated this charge might be higher and it has been anticipated that it should have no significant Gender impact. ***Given that only 7% of lone parents are male*** and the PWC in the vast majority of cases makes the initial contact ***how can it be construed that it will have no adverse impact on Gender when clearly women will be paying more often?***

Maintenance Direct Policy

This element of the new scheme is one of the most worrying from a Gender standpoint. Where previously both parents had to agree to Maintenance Direct it is

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now proposed that the Non Resident Parent (NRP) will be able to pay directly without the PWC consenting. It is suggested that this will incentivise parents to make and maintain their own arrangements as neither would incur the charges that accompany the statutory collection service. In reality, ***it may cause PWC's to accept reduced and or missed payments rather than pay for the collection service and/or possible calculation fees.*** What mechanisms will be put in place to ensure that children are protected in these arrangements and parents are not being pressurised into inappropriate arrangements.

Will means tested benefits take into consideration the possibility that the lone parent may not, in some cases be in receipt of any financial support but at the same time be unwilling to revert to the statutory system due to the expense?

Age

There are no obvious elements contained in the proposals that would cause concern in relation to the ages of either PWC's or NRP's. ***There is however some concern in relation to another area of the Bill***, namely that which refers to the age of the ***Qualifying Child***. It is proposed that once a child reaches 5 years the ***lone parent will be actively encouraged to re-enter the employment market.*** Parents with care will be moved onto JSA or ESA. ***What guarantees are in place to ensure that this does not impact on those who are receiving less than the calculated amount of maintenance in an arrangement that the Agency has encouraged them to accept?***

NICICTU DRAFT – Oct 12**Part 7: Final**

Clause 130: Rate relief schemes: application of housing benefit law

Clause 131: Repeals

Clause 132: General Interpretation

Clause 133: Commencement

Clause 134: Short Title