

Introduction

The Welfare Reform Bill 2011 contains a radical package of reform; it introduces a new integrated system of benefits, Universal Credit (UC), and also incorporates a whole raft of further changes to different aspects of the welfare system. Law Centre NI supports the government's overall objectives for the Bill, to simplify the benefits system and to make work pay. However, we have serious concerns about a number of areas and omissions in the Bill; this briefing outlines our concerns about the Bill's overall approach, and highlights the issues that are particularly significant for children.

Childcare

There is a lack of detail on how childcare costs will be covered under UC though it is expected that childcare will be covered under 'other particular needs or circumstances.' It is of very great concern that the Welfare Reform Bill contains absolutely no details about how support for childcare costs will be included within UC, including the proportion of costs that will be covered, whether this will support those working under 16 hours as well as those working over this threshold, how childcare payments will be made, and to whom. Being able to find affordable, accessible childcare can be the deciding factor in whether going into (or remaining in) work is financially viable for many parents.

We understand the childcare arrangements will be along the same structured lines as now and will extend to those working under 16 hours and therefore potentially cover more claimants. However, it appears the new arrangements will have to be introduced with no extra funding over and above that currently provided for childcare. The provision of affordable, accessible and good quality childcare in Northern Ireland lags far behind the rest of the UK. Unlike England, Scotland and Wales, there is no lead department responsible for childcare, no statutory duty on public authorities to ensure adequate childcare and no strategy agreed by the Executive.

Northern Ireland does not have sufficient childcare infrastructure in place to facilitate this envisaged large-scale move to work. Unlike in England and Wales, where the Child Care Act 2006 imposes a duty on local authorities to identify and meet childcare needs, Northern Ireland has no corresponding childcare legislation and there is no statutory obligation on local or public authorities to provide high quality and affordable childcare. The barrier this place on parents' ability to enter the workplace cannot be underestimated. We believe it is necessary to strike a balance between promoting employment and supporting

family life. The UC will fail to get the targeted people into work if these barriers to the workplace are not effectively broken down.

Gingerbread NI estimated that 30,000 extra childcare places would have to be provided in Northern Ireland to have 70% of lone parents in employment as targeted in the Welfare Reform Act.¹ Between 2002 and 2009 the overall number of daycare places in Northern Ireland fell by 6%.² The decrease of the childcare element of the Working Tax Credit from 80% to 70% from April 2011 will have an adverse impact on working families.

Passport Benefits

The government has not decided how to deal with passport benefits within UC. The issue is particularly important as the outcome, like childcare arrangements, will have implications for work incentives and simplicity. It is also important in terms of child poverty as passport benefits include free school meals, milk and vitamins etc which have both a child development and an income support role. The Social Security Advisory Committee has been asked to produce a paper on the options for passport benefits with an interim report due in September 2011 and final report in January 2012.

Sanctions

We have reservations that the use of sanctions on lone parents and other families may counteract the goal of ending child poverty and the objectives of the Child Poverty Act. Facilitating parents into good quality, well paid work and sustainable employment are important measures in meeting targets concerning child poverty. There are concerns about the potential impact on child poverty if lone parents are exposed to the risk of benefit sanctions. This presents real concerns that implementing UC in Northern Ireland will lead to a potential negative impact on family life and an adverse impact on women in particular who are the majority of lone parents, will be affected most by the lack of adequate childcare. To mitigate the potential impact to a degree, there should be increased investment in childcare provision in Northern Ireland as part of the wider UK welfare reform.

Any prolonged sanction is likely to cause serious hardship with negative outcomes for children. Where sanctions do apply it is vital that claimants are not

¹ Committee for the Office of First Minister and Deputy First Minister, Final Report on the Committee's Inquiry into Child Poverty in Northern Ireland, Report 08/07/08R June 2008

² Department for Trade and Investment *Women in Northern Ireland* Labour Market Report, September 2010

sanctioned for failing to take up employment that would reduce their family income, nor should claimants be required to work where their parental responsibilities require them to put the welfare of their children first. Robust safeguards must be in place to protect vulnerable claimants from hardship caused by inappropriate sanctions.

Child Poverty

A new report by the Joseph Rowntree Foundation had highlighted that child poverty in working households must be given the same priority as out of work poverty. The 'Monitoring Poverty and Social Exclusion 2010' report observed that while whilst the number of children living in poverty in workless families fell, the number in working households.³ It is therefore important to recognize that work alone is not necessarily a direct route out of poverty.

The effect of this in Northern Ireland cannot be underestimated. Large numbers of families in workless and working poverty have young and/or large families. Two thirds of working-poor families are couple families and 60% of poor families have children.⁴ Further, with high unemployment the current economic climate will make it difficult for parents to secure jobs that allow them to combine their work and family life. Finally, there is a potentially adverse impact on child poverty if lone parents are exposed to the risk of benefit sanctions.

Switch to JSA

In recent years single parents have been transferred from income support to jobseeker's allowance when their youngest child is aged 12 (in 2008), aged 10 (2009) and aged 7 (2010). The Bill now proposes to reduce the point at which single parents will be required to seek work still further, when their youngest child reaches their fifth birthday. Gingerbread has raised two specific concerns regarding this proposal. Firstly, for the small minority of 5 year olds who are not yet in school on their fifth birthday (up to 5 per cent of children, according to the Department for Education), we would be very worried if single parents were compelled to seek work – even if affordable childcare were available – in the critical last few weeks or months before their child starts school. Secondly, how this measure will limit single parents' access to education and training. Currently, when their youngest child reaches 5 and starts school single parents may use this opportunity to re-train or take up further education or skills development to

³ Anushree Parekh, Tom MacInnes and Peter Kenway., *Monitoring Poverty and Social Inclusion* . Joseph Rowntree Report December 2010

⁴ IPPR 'In work poverty in the recession' Briefing Note , Glenn Gottfried and Kate Lawton September 2010 pg 1

enable them to secure higher-paid work, with the possibility of career progression and a better chance that work will lift their family out of poverty, in future. We are very concerned that compelling single parents to seek and take up any job, as soon as their child steps through the school gate, will actually limit their long-term career prospects and ability to increase their income through work; in particular because the opportunities for skills development once on JSA are quite restricted.

Conclusion

The Law Centre believes that a move to simpler and clearer arrangements must work in practice both administratively and by continuing to meet the aims of supporting those in need and reducing poverty. Particular consideration must be given to the potential impact on children especially given Government's existing commitments as part of the Child Poverty Act 2010.