

# The Impact of Welfare Reform

## About the Northern Ireland Welfare Reform Group

The NI Welfare Reform Group is an umbrella group of organisations that campaign for positive and progressive changes to policy, service provision and legislation for those in receipt of social security while also providing advice and support to other advice giving organisations and disadvantaged persons in their capacity as individual members of the Group. The Group supports an equality and human rights-based approach to the provision of social security which demonstrates an understanding of and focus on the needs and choices of all in receipt of benefits.

## The Welfare Reform Bill

The Bill currently before the Assembly heralds the biggest change to the social security system in a generation. We are deeply concerned about the impact of these changes. We are unconvinced that the Bill, in its current form, is sufficiently tailored to reflect the particular circumstances of Northern Ireland. While the principle of parity imposes certain constraints on the Executive, the Executive and Assembly have some flexibility to deviate from Westminster policy and implement welfare reform in a way that better reflects these circumstances.

In a climate of austerity, welfare reform is being introduced in Northern Ireland against a backdrop of:

- evidence of multiple disadvantage and deprivation;
- higher trends of economic inactivity and lower average wages;
- greater incidence of mental health difficulties and higher levels of disability;
- a lack of flexible and affordable childcare provision.

The Institute of Fiscal Studies found that, after London, Northern Ireland, will be the hardest hit by tax and benefit cuts announced and to be implemented between January 2011 and April 2014/15 because of the higher numbers in receipt of disability benefits and families with children who will be affected.

## What does the Welfare Reform Bill do?

1. The Bill will introduce **Universal Credit**, a new monthly benefit from April 2014. Payment of awards will be made monthly in arrears to one nominated person in a household. In October 2012, the DSD Minister announced flexibilities allowing for fortnightly payments and for split payments within a household. **The Assembly should ensure that the latter arrangements are reflected in the Bill.**
2. The Bill will introduce new **work requirements** on claimants with increased levels of sanctions for non compliance of up to three years loss of benefit in some circumstances. Claimants with literacy problems; whose first language is not English and who have mental health difficulties and learning disabilities are disproportionately prone to being sanctioned (from *Sanctions in the benefit system: Evidence review of JSA, IS and IB sanctions SSAC occasional paper No1 2006*). **The Assembly should press for specific undertakings that Northern Ireland will take a different path from Britain by including specific safeguards to mitigate the application and impact of sanctions on these groups.**

The childcare infrastructure required to support people moving into work is not in place and lags well behind Britain. **The Executive should retain flexibilities for job-seeking lone parents and move swiftly to implement an effective childcare strategy to enable parents to move into employment.**

3. The Bill will introduce a 'bedroom tax.' Housing benefit will be restricted if a claimant's dwelling is deemed larger than they need. The NIHE has projected this measure will affect approximately 26,168 tenants (almost 50% of NIHE'S housing stock has three plus bedrooms). **The Assembly should seek to remove this measure completely or apply exemptions allowing one spare bedroom where it serves a legitimate purpose e.g. foster caring, a family member returning home or if it is required for health treatment e.g. dialysis.** We believe no one should be deemed intentionally homeless if evicted for 'bedroom tax' arrears.
  
4. The Bill introduces **Personal Independence Payment (PIP)** to replace Disability Living Allowance. Northern Ireland has a higher incidence of disability than anywhere else in the UK (21% of adults and 6% of children). The Treasury's intention is to reduce expenditure on DLA by 20%. A private sector contractor will operate the new assessment.

**The Assembly/Executive can press the Department of Social Development to monitor the impact of PIP and to contract for the delivery of PIP assessment reports that are 'right first time' with commensurate penalties built in for poor assessments.**

The **Assembly can press for robust monitoring and reporting arrangements** of the impact of the Bill on those affected – claimants, children and carers from the outset.

**For more information about the Welfare Reform Group please contact Law Centre (NI): Telephone 028 9024 4401 or email [georgina.ryan-white@lawcentreni.org](mailto:georgina.ryan-white@lawcentreni.org).**

