Welfare Reform Bill (Northern Ireland)(as Introduced)
Briefing for Committee for Social Development (30th October 2012)

BRIEF

1. The Equality Commission for Northern Ireland (Commission) made a response to the Department for Social Development (Department) consultation on the Welfare Reform Bill (Northern Ireland) 2011 Equality Impact Assessment in December 2011. Furthermore, the Commission provided evidence to the Committee for Social Development (Committee) on 8th March 2012.

2. In doing so, we advised both the Department and the Committee not only about the requirement, but also the critical importance, of assessing the potential equality implications of its policy proposals. In this regard, we wish to remind the Committee that the Commission considered that the Department's 2011 equality impact assessment consultation paper:
   - provided no substantive analysis of the proposals nor did it provide any real consideration of the potential adverse impact; and
   - while recognising and endorsing parity, it did not consider the changes in the context of Northern Ireland policy and proposals not subject to parity.

3. The Commission expects that a range of the mitigating actions and alternative options should be addressed during the passage of the Bill in the Assembly. The implementation of the resultant Act will be subject to the commitments to screen and equality impact assess individual policies, and decisions, as they arise in accordance with the Department’s Equality Scheme. The Committee may bring matters to the attention of the Department to assist it in the monitoring of its policies for adverse impact, to ensure that adverse impacts over time can be identified and mitigating measures put in place.

4. The Commission has previously raised concerns regarding the policy proposals within the Welfare Reform Bill and associated regulations, regarding some aspects of the Universal Credit, the Lone Parent Conditionality, the Housing Benefit Cap and Disability Benefit Reform. This briefing provides additional and targeted consideration of the provisions within the Bill, and related regulations, that may impact upon equality groups.

5. It is important for the Committee to note that, even at this stage, there are opportunities to amend the Bill without undermining the parity principle. In

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3 Schedule 9 of the Northern Ireland Act 1998, paragraph 4 (2) (b) “assessing and consulting on the impact of policies adopted or proposed to be adopted”
effect parity means maintaining a single system of social security, but not necessarily one that has the exact same regulations and operational procedures. In this regard, the Minister for Social Development has already demonstrated this potential, through his statement to the Northern Ireland Assembly, 22 October 2012, by negotiation with Lord Freud, that he has secured changes to allow: the housing cost element of Universal Credit to be paid direct to landlords rather than the customer; the payment of Universal Credit to be split between two parties in the household; and the payment of Universal Credit on a twice monthly basis. The Commission welcomes these changes along with the delay in the implementation of Universal Credit until April 2014. The Commission considers that other mitigating measures should be put in place to address outstanding adverse equality impacts stemming from the Bill. In respect to specific clauses within the Bill, the Committee may wish to:

**Payment to the Primary Carer**
- consider that the entire payment of Universal Credit should be made to the primary carer, usually the mother of children, rather than to be split between two parties within the household. (Clause 7)

**Standard Disability Premium**
- consider whether the removal of the direct link between receipt of the ‘Standard Disability Premium’ addition to Income Support for those in receipt of Disability Living Allowance under Personal Independent Payments will result in loss of income for claimants at either the enhanced or standard rate. The Committee could ask the Department why the ‘Standard Disability Premium’ addition to Income Support is not considered within this clause under the extra elements to the standard allowance within Universal Credit. (Clause 12)

**Passport Benefits**
- seek clarification regarding access to, and entitlement of, passport benefits taking account of changes to the benefit system as well as other wider benefits such as the operation of the Blue Badge Scheme etc.

**Online Systems & Accessibility**
- seek assurances from the Department that the development of the online system for Universal Credit will contain a range of safeguards against any immediate adverse impact on claimants where information relating to claimant’s entitlements is wrongly calculated or recorded outside the control of the claimant. The Committee should ask the Department what action has already been taken or being taken in this regard.

**Claimant Commitment**
- seek clarification from the Department regarding the requirement for a claimant or "both members of a couple" to enter into a claimant commitment as part qualification criteria for Universal Credit. (Clause 14)

**Lone Parent Conditionality**
- determine what measures are in place to provide support to parents with young children to meet the conditionality requirements of entitlement for Universal Credit / Income Support, and for those parents belonging to the
Employment Support Allowance work-related activity group. (Clauses 13 to 18, 21 to 27 and Clauses 58 and 59)

**Pension Credit Entitlement for Couples**
- seek clarification as to whether a claimant reaching the qualifying age for Pension Credit will be subject to the conditions and sanctions associated with entitlements of Universal Credit until their partner reaches the qualifying age requirement for Pension Credit. The Committee could also seek assurances that this clause will not result in the loss of income for couples where one partner has not yet reached the qualifying age for Pension Credit. (Clause 32, Schedule 2)

**Work Capacity Assessment**
- determine what measures will be taken for the implementation of Work Capability Assessments for work-related activity, under the Universal Credit, taking into account the failings of the similar assessment process for the transition from Incapacity Benefit to the new Employment Support Allowance, to ensure that fair, appropriate and individualised assessment processes and practices are put in place in Northern Ireland. (Clause 38)

**Pilot Projects for Implementation of Universal Credit**
- determine what measures are in place to assess the effectiveness of the implementation of Universal Credit, including proper consideration of any adverse equality impacts, for example, what independent review and monitoring frameworks are in place to assess the outcome and impact of the implementation of Universal Credit. (Clause 42)

**Penalties**
- ask the Department to outline what steps have been taken to ensure that disabled people / older people are not unduly penalised for failing to meet the requirements of entitlement for Job Seekers Allowance by taking account of claimant’s individual circumstances. (Clause 47)

**Housing Benefit and Under-Occupancy**
- whether assessments for Housing Benefit will fully take into account the needs (and rights) of tenants who are disabled, or who are separated from their partners and require additional rooms to respectively accommodate their carers and children. Furthermore, whether assessments for Housing Benefit will fully take into account of the tenants’ ability to move to new accommodation considering the separate nature of social housing in Northern Ireland. The committee may wish clarification that tenants under these circumstances will not be placed under financial hardship. (Clause 69)

6. Finally, under Clause 33, the Department has the power, by regulations, to make such consequential, supplementary, incidental or transitional provision in relation to any provision of Part 1, Universal Credit, of the Bill, as the Department considers appropriate. These regulations may amend, repeal or revoke any statutory provision (whenever passed or made). The Commission recommends that the Committee regularly keeps under review the implementation and operation of Universal Credit in Northern Ireland, cognisant of developments in Great Britain, and where necessary takes action to ensure its operation is reflective of the unique circumstances in Northern Ireland, with
particular regard to its impact upon equality groups under Section 75 of the Northern Ireland Act 1998.

7. The considerations we ask the Committee to address are further outlined within Annex 1; the Equality Commission for Northern Ireland’s remit is outlined in Annex 2.
ANNEX 1

Introduction

8. The Committee is asked to note that the Commission’s evidence is not concerned generally with the particular wording of the clauses in the Bill. Rather, the Commission addresses the detrimental and adverse impacts of the subject specific clauses identified within the Bill in relation to the promotion of equality of opportunity. Many of the clauses within the Bill are bound by regulations which detail the intended and actual effect of these clauses. In this regard, the Commission is not aware of the Department’s considerations. For example, the outcome of two recent public consultations on the Personal Independence Payments. Therefore, our evidence is presented to highlight our overarching concerns with the Bill, recommending amendments where appropriate to lessen adverse impact on the relevant Section 75 equality groups.

PART 1 UNIVERSAL CREDIT, CHAPTER 1 ENTITLEMENTS AND AWARDS

‘Awards’ – Clause 7 – Basis of awards

9. The Committee may wish to consider that the entire payment of Universal Credit should be made to the primary carer, usually the mother of children, rather than to be split between two parties within the household.

10. We remain concerned that the Bill does not identify the negative impact on women with respect to the payment of Universal Credit. The payment of the new Universal Credit to the main earner following joint claim and joint assessment will, in many instances, leave women without income. Payment of benefit to women in their ‘caring for dependents role’ was an important social security reform introduced in the 1970s, recognising that women more readily spend on children and household essentials. We expected the Department to consider this matter further and include a qualifying clause to that effect in the Bill.

‘Elements of an award’ - Clause 12 - Other Particular needs or Circumstances

11. The Committee should consider whether the removal of the direct link between receipt of the ‘Standard Disability Premium’ addition to Income Support for those in receipt of Disability Living Allowance under Personal Independent Payments will result in loss of income for claimants at either the enhanced or standard rate? The Committee should ask the Department why the ‘Standard Disability Premium’ addition to Income Support is not considered within this clause under the extra elements to the standard allowance within Universal Credit.

12. This clause considers the amounts to be included in the Universal Credit award for other needs or circumstances which would be extra elements in addition to the standard allowance. The Commission understands this clause refers to additional income supplements for disabled people who are assessed as having limited capability for work or limited capability for work-related activity with reference to the existing ‘Severe Disability Premium’. We note that this clause does not include an alternative provision for the ‘Standard Disability Premium’
addition to Income Support. We are concerned that this may result in loss of additional income for many disabled people.

13. We understand that this 'Standard Disability Premium', which claimants would receive in addition to their Income Support, will no longer be directly linked to the receipt of the new Personal Independence Payments, as it is under the current system of Disability Living Allowance. We have already highlighted to the Department our concern that disabled people who qualify for entitlement to the Personal Independence Payments will be required to take an additional assessment for entitlement to additional income-related benefits which are currently automatically granted under the existing Disability Living Allowance framework.

Additional Concerns:

Passport Benefits

14. The Committee may wish to seek clarification regarding access to, and entitlement of, passport benefits taking account of changes to the benefit system as well as other wider benefits such as the operation of the Blue Badge Scheme etc.

15. Under the existing system, entitlement to Disability Living Allowance (DLA) and Attendance Allowance facilitates access to a range of other benefits which are vital to disabled claimants, such as Motability, Free Road Tax, Blue Badge Scheme, Income Support, and the Standard Disability Premium. We are concerned that there is insufficient detail on how passport benefits, plus other issues, such as childcare costs, carers’ support allowance, rate rebates (in Northern Ireland) and mortgage interest support will be integrated into Universal Credit.

Payment of Benefits Online

16. The Committee may wish to seek assurances from the Department that the development of the online system for Universal Credit will contain a range of safeguards against any immediate impact on claimants where information relating to claimant’s entitlements is wrongly calculated or recorded outside the control of the claimant. The Committee should ask the Department what action has been taken or is being taken in this regard.

17. Action to ensure safeguards, and the provision of accurate and timely information, to claimants is important. This is particularly important as many equality groups in Northern Ireland may exhibit lower internet usage than the general population. In recent research carried out on behalf of the Commission, it reported that there is clear evidence that there are large areas of information which are inaccessible to disabled people, see for example RNID and BDA

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(2009)\(^5\) and the ECNI (2008)\(^6\), and it is particularly disappointing that a primary source of information, the internet, is underused by disabled people. A 2011 survey on internet usage by the Office for National Statistics (ONS)\(^7\) revealed that in Northern Ireland, participants with a DDA\(^8\) defined disability (46.3\%) were much less likely than non disabled people (77.4\%) to have “ever used the internet”. The figures also reveal that internet usage amongst disabled people in Northern Ireland is less than the average in the UK for people with a DDA defined disability (63.8\%)\(^9\).

**PART 1 UNIVERSAL CREDIT, CHAPTER 2 CLAIMANT RESPONSIBILITIES**

‘Introductory’ - Clause 14 - Claimant Commitment

18. The Committee may wish to seek clarification from the Department regarding the requirement for a claimant or "both members of a couple" to enter into a claimant commitment as part qualification criteria for Universal Credit.

19. This provision may have an impact upon for those with dependents and for women who are typically the primary carers in many households. We are concerned that if only one member of a couple accepts the claimant commitment and the other refuses, then both parties may be penalised. We believe this clause may have an unintentional adverse effect particularly when children are involved.

‘Work-related requirements: supplementary’ - Clause 25: compliance with requirements and ‘Reduction in benefits’ - Clause 26: Higher-level sanctions and Clause 27: Other sanctions

20. The Commission urges restraint in the blanket application of these sanctions and recommends that each case should be considered on its own merits taking into account the Departments equality obligations under Section 75 and the Disability Discrimination Act 1995 (as amended).

‘Introductory’, ‘Work-related requirements’, Application of work-related requirements’, ‘Work-related requirements: supplementary’ and ‘Reduction in benefits’ – Clauses 13 to 18, 21 to 27 and Clauses 58 and 59

21. The Committee may wish to determine what measures are in place to provide support to parents with young children to meet the conditionality

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5 RNID and BDA (2009) ‘Access to Public Services for Deaf Language users’
7 Office for National Statistics (2011) (ONS) ‘Internet Access Quarterly Update 2011, Q1, http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=5672 Note; The disaggregated figures for disabled people in Northern Ireland contained in the raw data for this survey were unpublished and were obtained by Disability Action from the ONS in May 2011
8 Disability Discrimination Act (DDA)1995 as amended by the Disability Discrimination(Northern Ireland) Order 2006
requirements of entitlement for Universal Credit / Income Support, and for those parents belonging to the Employment Support Allowance work-related activity group.

22. Here, we are concerned with Clauses 13-18, 21-27 58 and 59, and the Lone Parent Conditionality in respect of entitlement to Universal Credit / Income Support and Employment Support Allowance. The Commission is concerned that the lone parent conditionality, and the lack of appropriate, accessible and affordable childcare in Northern Ireland, may restrict a claimant’s ability to seek education and training opportunities and may undermine, or run counter to, the plan within the Northern Ireland Executive’s Economic Strategy to “improve the skills and employability of the entire workforce so that people can progress up the skills ladder, thereby delivering higher productivity and increased social inclusion”.

23. The Assembly needs to provide the appropriate support infrastructure to assist lone parents into work, such as affordable and flexible childcare to help lone parents find sustainable employment. The Committee should note that the statutory obligation to provide childcare is applicable only to England, Scotland and Wales. For example, unlike England and Wales where the Childcare Act 2006 imposes a duty on local authorities to identify and meet childcare needs, Northern Ireland has no corresponding childcare legislation, where both the availability and affordability of childcare does not meet the demand or the needs of local families.

PART 1 UNIVERSAL CREDIT, CHAPTER 3 SUPPLEMENTARY AND GENERAL

‘Supplementary and consequential’ - Clause 32 – Supplementary and consequential amendments and Schedule 2: Universal credit: amendments

24. The Committee may wish to seek clarification as to whether a claimant reaching the qualifying age for Pension Credit will be subject to the conditions and sanctions associated with entitlements of Universal Credit until their partner reaches the qualifying age requirement for Pension Credit. The Committee could also seek assurances that this clause will not result in the loss of income for couples where one partner has not yet reached the qualifying age for Pension Credit.

25. We are concerned about the qualifying criteria for Pension Credit. In that, a member of a couple who has attained the qualifying age for Pension Credit may

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10 Ni Welfare Reform Group Briefing Paper - Welfare Reform Bill, Second Reading House of Lords July 2011 page 4 - Evidence suggests that forcing lone parents of children under 5, the majority of whom are as the consultation paper acknowledges are women, would have an adverse impact on both the parent and the child / and older siblings - limiting educational and training opportunities to enable good quality work opportunities as opposed to a low pay unskilled job, as well address the need for quality child care that meets the ‘best interests’ of the child. It should also be noted the correlation between low income families and the increased likelihood of child poverty. Save the Children research points out that 21% of children in Northern Ireland live in persistent child poverty which is double the GB percentage rate, and severe child poverty stands at 40,000, almost 10%.


not receive it until their partner has reached the same qualifying age. We recommend that the Committee reviews this provision for the purpose of clarifying its intended effect. It is not clear whether those claimants who reach the state pension age are prevented from claiming Pension Credit because of the age status of their partners when their partners continue to be subject to requirements / conditionality of entitlement for Universal Credit.

‘General’ - Clause 38 - Capability for work or work-related activity

26. The Committee may wish to determine what measures will be taken for the implementation of Work Capability Assessments for work-related activity, under the Universal Credit, taking into account the failings of the similar assessment process for the transition from Incapacity Benefit to the new Employment Support Allowance, to ensure that fair, appropriate and individualised assessment processes and practices are put in place in Northern Ireland.

27. The Commission strongly recommends a review of all procedures in determining a person’s capability for work-related activity and employment, given the recent controversy and media attention around the Work Capability Assessments for the transition from Incapacity Benefit to Employment Support Allowance. In any assessment of this nature, it should include evidence from the claimant as well as medical evidence from the claimant’s own doctor, or relevant medical professional, and not left solely at the discretion of an independent medical assessor who has no previous knowledge of the claimant’s health condition or personal circumstances. According to the Department’s own figures, we note that approximately one third of Work Capability Assessments, in respect of the transition from Incapacity Benefit to Employment Support Allowance, are overturned on appeal.

‘Regulations’ - Clause 42 – Pilot schemes

28. The Committee may wish to determine what measures are in place to assess the effectiveness of the implementation of Universal Credit, including proper consideration of any adverse equality impacts, for example, what independent review and monitoring frameworks are in place to assess the outcome and impact of the implementation of Universal Credit.

29. In respect to the pilot schemes of the regulations under Part I of the Bill, we recommend that the Committee considers this in the context of the ongoing statutory equality duties on the Department, to ensure that the information gained from any pilot schemes assists in the monitoring of policies for adverse impacts, in line with Equality Scheme commitments. The Commission expects that all matters decided upon during implementation of the provisions of the current Bill will be assessed according to the commitments in the Department’s Equality Scheme (or that of any other implementing organisation), particularly

the policies will be screened and if necessary, subject to an Equality Impact Assessment.

PART 2 WORKING-AGE BENEFITS, CHAPTER 1 JOBSEEKER’S ALLOWANCE

‘Claimant responsibilities for interim period’ – Clause 47 (and related clauses) - Sanctions

30. The Committee may wish to ask the Department to outline what steps have been taken to ensure that disabled people / older people are not unduly penalised for failing to meet the requirements of entitlement for Job Seekers Allowance by taking account of claimant's individual circumstances.

31. The application of sanctions, as specified in Clause 47 of the Bill, should be considered on a case by case basis, and in light of the effects a person’s disability may have on that person in respect to failure to attend work-focused interviews, in leaving a job, and in refusing or failing to apply for a job. For example, a person with recognised mental health issues such as “depression” may be unable to meet all the conditions and requirements of entitlement during the timeframe in which their disability is symptomatic, and has an impact on their decision making abilities, in relation to accepting job opportunities and retaining employment etc. It is important that cases of this nature are considered on their individual merits and that sanctions are not applied without proper consideration of the individual claimant’s personal circumstances.

PART 3 OTHER BENEFIT CHANGES

‘Housing benefit’ - Clause 69 – Housing benefit: determination of appropriate maximum

32. The Committee may wish to ask whether assessments for Housing Benefit will fully take into account the needs (and rights) of tenants who are disabled, or who are separated from their partners and require additional rooms to respectively accommodate their carers and children. Furthermore, whether assessments for Housing Benefit will fully take into account of the tenants’ ability to move to new accommodation considering the separate nature of social housing in Northern Ireland. The committee may wish clarification that tenants under these circumstances will not be placed under financial hardship.

33. Clause 69 relates to the introduction of the size criteria into the calculation of housing benefit for working age tenants in the social rented sector. The Commission is concerned that the Department ensures that Housing Benefit assessments of disabled persons and separated parents, including those in similar situations, fully takes into account the needs (and rights) of these groups. Furthermore, the Commission is concerned in regard to a tenant’s ability to move may be severely restricted, due to the separate nature of social housing in Northern Ireland. Therefore, the tenant may be placed in financial hardship because of a reduction in benefits due to under occupancy.

34. In implementing this provision, consideration should be given to the individual circumstances of each claimant and the support networks available to them in the communities and localities in which they currently live. For example,
informal support networks developed by disabled people to meet their day-to-day living and mobility requirements, in particular those disabled people who may not be entitled to the new Personal Independence Payments or any additional consideration as a result of changes to their benefit entitlement status may still require additional rooms to meet their care/support requirements to deal with the affects of their disability.

35. The Commission recommends that the Department delay implementation of this provision / clause until appropriate housing stock is available to facilitate this provision, through the implementation of the current draft Housing Strategy\textsuperscript{15}. The Minister has acknowledged in previous statements to the Assembly that the Northern Ireland housing infrastructure cannot accommodate claimants affected by this provision, in particular, those claimants who require 1-2 bedroom accommodation\textsuperscript{16}.

‘Social fund’ - Clauses 70, 72 and 73 - Ending of discretionary payments, Determination of amount or value of budgeting loan and Community care grants

36. These clauses refer to the ending of discretionary payments from the ‘existing Social Fund’. The Bill does not make clear, at this stage, what alternative arrangements are in place in relation to budgeting loans, crises loans and community care grants. The Northern Ireland Assembly should continue to invest the same level of resources in this core provision, and retain a non-loan grant scheme for those assessed as being unable to repay loans as a result of financial hardship.

PART 4 PERSONAL INDEPENDENCE PAYMENTS

‘Personal independence payments’- Clauses 76, to 79

37. In wider responses\textsuperscript{17} we have raised concerns regarding the higher qualification criteria under the Personal Independence Payment (PIP) compared with the existing Disability Living Allowance\textsuperscript{18} (DLA) and that the experiences faced by disabled people through the implementation of the ATOS assessment scheme for ESA and DLA (and the subsequent very high percentage rate of successful appeals for those refused DLA) should not be replicated for the implementation of PIP and that people currently in receipt of the DLA care component should not lose out under Personal Independence Payment (PIP).


\textsuperscript{16} Welfare Reform Bill: Second Stage (9\textsuperscript{th} October 2012).

\textsuperscript{17} Equality Commission response to Department for social Development Call for Evidence for the Independent Review of the Work Capacity Assessment (Professor Harrington), and ECNI and NIHRC (2011) Evidence to the Joint Committee on Human Rights (JCHR): Inquiry into the implementation of the right of disabled people to independent living as guaranteed by Article 19, UN Convention on the Rights of Persons with Disabilities.

\textsuperscript{18} The proportion of working age people in receipt of DLA in Northern Ireland is approximately twice the level in Great Britain - 10.3 per cent of the Northern Ireland population (http://www.dsdni.gov.uk/dla_publication_august_10.xls). Reform of the DLA system therefore could result in many thousands of disabled people in Northern Ireland losing entitlement to this benefit or receiving reduced support – with potential impact on personal mobility; independent life in the community and adequate standards of living.
38. The Commission has responded to both consultations undertaken by DSD and DWP regarding the regulations for the introduction of Personal Independence Payments. The Commission is not aware of the outcomes to responses to the two recent public consultations on the Personal Independence Payments.

‘Entitlement and payability: further provision’ - Clause 85 – Hospital in-patients

39. In respect to Clause 85 of the Bill, there appears to be no account taken of our recommendations regarding the withdrawal of the mobility component of the Personal Independence Payments for hospital inpatients. The Bill specifies that for the first 28 days after the claimant becomes a hospital inpatient that they will continue to receive the relevant disability benefit after which time it will be withdrawn. We have recommended to the Department that this period be extended for disabled adults to approximately the same period allowed for disabled children to retain the mobility component. We do not see the justification for limiting access to the mobility component for adults in comparison with the extended timeline provided for children\(^\text{19}\).

ANNEX 2:

The Equality Commission for Northern Ireland

40. The Equality Commission for Northern Ireland (“the Commission”) is an independent public body established under the Northern Ireland Act 1998. The Commission is responsible for implementing the anti-discrimination legislation on fair employment, sex discrimination and equal pay, race relations, sexual orientation, disability and age.

41. The Commission’s remit also includes overseeing the statutory duties equality duties on public authorities in Section 75 of the Northern Ireland Act 1998: to pay due regard to the need to promote equality of opportunity and pay regard to the desirability of promoting good relations, as well as the duties in Section 49A of the Disability Discrimination Act 1995 (as amended).

42. The Commission, along with the NIHRC, has also been designated as the ‘independent mechanism’ in Northern Ireland, tasked with promoting, protecting and monitoring implementation of the United Nation Convention on the Rights of Persons with Disabilities (UNCRPD).