Welfare reform mitigation in Northern Ireland

Eileen Evason **and** Kevin Higgins **report on the welfare reform mitigation programme, designed to lessen the impact of some of the harshest aspects of the system in Northern Ireland.**

NORTHERN IRELAND has a difficult history of conflict and above average levels of poverty as a result of higher unemployment, lower wages and high levels of disability. The Belfast Agreement of 1998 was followed by a degree of stability and improvement on various fronts. This progress was undermined by the financial crash of 2008 and there was concern when the programme of cuts and adjustments to benefits was announced by the coalition government in 2010.

Available evidence indicated that the cuts would come in two waves.[1] With lower rents and less pressure on housing, the effect of the first wave on Northern Ireland would be comparable with Scotland and Wales. London would be hardest hit.

The second wave, however, would hit Northern Ireland hardest of all areas in the UK. Certain reforms would be particularly problematic: the 'bedroom tax' because of segregated public sector housing; the benefit cap because of larger families; and cuts to sickness/disability benefits because of high rates of disability with receipt of disability living allowance being double the rate for Great Britain. These special circumstances generated opposition to the introduction into Northern Ireland of legislation corresponding to the Welfare Reform Act 2012; this was a key element in the political instability which followed. The Northern Ireland Executive collapsed, returned and collapsed again.

In an attempt to move forward, the Fresh Start Agreement of November 2015 provided for the appointment of a working group to devise a strategy[2] to mitigate the effects of introducing legislation for Northern Ireland which mirrored the provisions of the Welfare Reform Act of 2012 for Great Britain. Implementation of these mitigations began in April 2016 and legislation provides for them to run until April 2020.

There have been some difficulties with this process, largely in consequence of an overly prescriptive budget before the report was written: one element was not implemented and payments were less generous than we would have liked. Nevertheless, the twin strategy of payments to compensate for loss and a bespoke advice service worked reasonably well. Significant numbers have been helped[3] through complex changes, with the result that welfare reform has generated less controversy and hardship here than elsewhere.

The mitigation programme includes the following (for the duration of the programme unless otherwise specified):

- **Bedroom tax:** supplementary payments to compensate for losses.

- **Carer's allowance:** supplementary payments to compensate for financial losses resulting from the move from disability living allowance to personal independence payment, for one year.

- **Time limitation of contributory employment and support allowance:** supplementary payments to compensate losses for one year, plus advance warnings and checks for entitlement to income-related employment and support allowance.

- **Replacement of disability living allowance by personal independence payment for working-age people:** supplementary payments where there is financial loss, for one year or up to appeal tribunal (and beyond).

- **Benefit cap:** supplementary payments for families with dependent children.

- **Bespoke independent advice service:** network of independent advice support across Northern Ireland, accessed by a single phone number.

- **Benefit sanctions:** sanction duration limited to18 months, plus measures to try to ensure they are fairly and reasonably applied.

- **Universal credit:** split payments and fortnightly payments available on request, and direct payments to landlords unless otherwise requested.

- **Discretionary support scheme:** to compensate for the abolition of community care grants and crisis loans previously available from the social fund.

- **Community projects:** relating to food poverty and money management.

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When the mitigation programme ends in March 2020, many households in Northern Ireland will abruptly lose support. There is growing alarm among the public, community bodies[4] and politicians[5] at the prospect of a sharp rise in arrears and evictions. Discretionary housing payments are not adequate to deal with the core problem of segregated housing, and families affected by the benefit cap will see significant losses. There is also concern relating to measures introduced after the mitigations began, including the 'two-child limit'. This is simply unjustifiable given the lack of access to abortion here plus the fact that it is an offence not to report an offence such as rape. Additionally, the universal credit mitigations have not protected people from the difficulties being experienced across the UK: difficulties making and managing claims; the wait for the first payment; and losses when moving from other benefits.

Conclusion

In recent evidence to the Joint Committee Inquiry into welfare policy in Northern Ireland,[6] we argued that there was a clear case for continuing our mitigations programme. Supplementary payments relating to the bedroom tax and benefit cap must continue, together with other essential elements of the strategy. We also argued for mitigation of the two-child policy and bringing personal independence payment assessments in-house. We also pressed for advances to be converted to first payments. The report of the Joint Committee has been very positive – endorsing the strategy adopted and recommending Westminster funding for its continuance. The current political situation is not helpful, but we will be seeking an early response to this report from our Secretary of State. ■

Professor Eileen Evason is Chair of NI Welfare Reform Mitigations Working Group

Kevin Higgins is Head of Policy, Advice NI and NI Welfare Reform Mitigations Working Group member

1 J Browne, *The Impact of Tax and Benefit Reforms to be Introduced Between 2012/13 and 2014/15 in Northern Ireland*, Briefing Note 114, Institute for Fiscal Studies, 2010
2 *Welfare Reform Mitigations Working Group Report*, January 2016, https://www.executiveoffice-ni.gov.uk/publications/welfare-reform-mitigations-working-group-report
3 Department for Communities), *Review of Welfare Mitigation Schemes*, 2019
4 Search #CliffEdgeNI on social media
5 Joint Committee Inquiry: *Welfare Policy in NI*, https://www.parliament.uk/business/committees/committees-a-z/commons-select/northern-ireland-affairs-committee/inquiries/parliament-2017/welfare-policy-in-northern-ireland-inquiry-17-19/
6 Joint Committee Inquiry: *Welfare Policy in NI*, https://www.parliament.uk/business/committees/committees-a-z/commons-select/northern-ireland-affairs-committee/inquiries/parliament-2017/welfare-policy-in-northern-ireland-inquiry-17-19/