



**Advice NI paper for  
Committee Stage of  
the Welfare Reform Bill**

**April 2010**

**Background**

Advice NI is a membership organisation that exists to provide leadership, representation and support for independent advice organisations to facilitate the delivery of high quality, sustainable advice services. Advice NI exists to provide its members with the capacity and tools to ensure effective advice services delivery. This includes: advice and information management systems, funding and planning, quality assurance support, NVQs in advice and guidance, social policy co-ordination and ICT development.

Membership of Advice NI is normally for organisations that provide significant advice and information services to the public. Advice NI has over 70 member organisations operating throughout Northern Ireland and providing information and advocacy services to over 100,000 people each year dealing with over 227,000 enquiries on an extensive range of matters including: social security, housing, debt, consumer and employment issues. For further information, please visit [www.adviceni.net](http://www.adviceni.net).

**General**

The 'hardest to help' very often represent the most vulnerable within our society – in terms of ill health (physical and mental), educational status, housing status, employment readiness, language barriers, income and so on. These same people are the least able to absorb variations or changes to

their benefit levels and least able to afford to take risks to work. Advice NI believes that as long as the reform agenda appears to be only interested in removing people as a benefit statistic – not meaningfully supporting people to make the transition into employment – the ‘hardest to help’ may remain reluctant recipients of welfare reform, rather than eager participants;

Given that we are talking about the most vulnerable people in society, acknowledged as being the ‘hardest to help’, Government should ensure that there are adequate safeguards in place to protect and support not further marginalise and demonise. The system must play its part in ensuring that people have sufficient income to put food on the table, keep a roof over their head and provide a basis to make informed decisions about moving from benefits to work.

In previous welfare reform consultations, Advice NI has highlighted that “forced integration into the labour market will not work” without the associated significant increases in spending on areas such as childcare. Government should not shirk its responsibilities in this regard and Advice NI believes that sufficient resources will have to be made available if welfare reform is to have any meaningful positive impact. A firm focus should be on helping those who move from welfare to work to retain their jobs over the longer term and supporting the hardest to help benefit recipients who may be left behind by welfare reform, as the labour market is swelled by students and those recently made redundant who may be felt to be more ‘job ready’.

In terms of parity with GB, Advice NI has noted that the necessary welfare reform legislation in Northern Ireland is now out of step (albeit possibly temporarily) with GB. However we note that the social security system is still functioning perfectly normally. Therefore in respect of timing (if not in respect of substance) these events have shown that parity can be broken; Advice NI would suggest that the legislation be examined and if necessary amended for circumstances unique to Northern Ireland: essentially the opportunity should be taken to adopt how things are done; rather than seeking to fundamentally break parity in terms of benefit types and levels.

Advice NI would advocate that a Systems Thinking approach be developed and implemented in terms of operationalising aspects of the welfare reform proposals contained in the Bill. A Systems Thinking approach helps organisations change from command and control to a systems approach to the design and management of work. The consequences are improved service to customers, at lower costs and improved morale. This unique approach includes identifying the purpose of the organisation from the customer’s perspective; studying

demand within the system (understanding what is currently happening and why); categorising demand into value work (work that the service is there to do) and waste (work as a result of a failure to do something or a failure to do something right); re-designing service delivery to improve performance; and finally rolling in a new way of working. Advice NI has embarked on a Systems Thinking project which acts on this approach: focusing on the service user, critically examining service delivery 'front to back' from the service users perspective. Advice NI believes that there is merit in rolling this approach in to the delivery mechanisms of welfare reform.

### **Clause-by-clause Response**

#### **Schemes for assisting persons to obtain employment: "work for your benefit" schemes etc.**

Advice NI concerns:

- There is a sense that services could be provided by claimants 'on the cheap'. For example employers and service providers may source labour under this scheme with a view to exploiting the opportunity in terms of reducing their staff costs and boosting their profit margins;
- Fact that there may be very few / no placement opportunities available in current economic climate. Advice NI notes the Labour Force Survey (LFS) data for Northern Ireland for the period December 2009 – February 2010 which indicates that the seasonally adjusted claimant count in March 2010 increased by 300 over the month to 55,900. The expectation seems to be that economic growth will be negligible (with a remaining risk that there may be a return to recession). In such a climate, with some employers facing complete shut-down, it is difficult to see where the opportunities for placements will arise;
- Advice NI notes the impact of 'work for your benefit' in the US where achieving high rates of participation in programmes has been a challenge because a significant percentage of welfare recipients were unable to participate in any given period for example because they are waiting for a job opportunity to begin; being temporarily

ill or disabled, caring for an ill or disabled family member or in the midst of a noncompliance review process for failure to comply with previous 'work for your benefit' directions. We would be concerned that an 'industry' may develop around the administration of such schemes, with the focus being shifted from where it should be - namely helping claimants;

- Impact of these schemes on job creation / proper waged jobs. At a time when Northern Ireland is struggling to move out of recession and move away from being over-reliant upon the public sector: 'work for your benefit' proposals may impact negatively by displacing jobs, particularly within the private sector, which may otherwise have been created.
- Impact of these schemes on current jobs; as employers may reduce waged jobs in favour of taking on people under these schemes;
- Advice NI notes from the Programme for Government that growing the economy is the top priority; there needs to be careful analysis undertaken as to the potential impact 'work for your benefit' schemes may have on economic growth in NI;
- Resource implications of administering these schemes: Advice NI believes that there should be a cost-benefit analysis of 'spend' in terms of helping people vs cost / administration of the schemes;
- While on these schemes claimants will effectively not be able to look for work – so they may be counter-productive; deflecting claimants from directly engaging in job seeking activity;
- Advice NI would be concerned that these schemes may not help people to become more work ready, unless they provide an element of training and support for people to become more job ready;

We would suggest that the following wording be included:

- (i) Each and every scheme will have a cost-benefit analysis – highlighting administration costs – aimed at ensuring that resources are targeted on individual claimants.***

***(ii) Schemes will clearly specify the support, training and education opportunities available to help people on the scheme become more job ready;***

**Work-related activity: income support claimants and partners of claimants**

Advice NI concerns:

- The intention behind this proposal must be to ultimately move both partners (and lone parents with children) into employment. There must be a real question mark over the ability of the childcare infrastructure in Northern Ireland to cope, in particular in terms of accessibility and affordability. In terms of a comparison between childcare spend between England & Wales and Northern Ireland, Northern Ireland has much reduced levels of Surestart funding;
- Sure Start areas tend to be based in traditionally low resourced areas with high levels of deprivation – often in or near NIHE estates. Feedback to Advice NI suggests that even if there is provision of additional funding for child care in these areas, while helpful, will not resolve the childcare issue as increasingly people are compelled to move into private rented accommodation outside of sure start areas due to lack of NIHE accommodation;
- There needs to be more help in terms of support at the transition point between benefit and work when parents (particularly lone parents) want to move into work. It is not usually going to be possible for people to have childcare in place until a job has been offered and quite often a registration fee will be required, Advice NI believes that more could be done to support parents at this point;
- Advice NI notes the view that there is a lack of a strategic framework underpinning and supporting the childcare infrastructure in Northern Ireland – with no lead Department responsible for school age childcare provision. Given the significance of the proposals within the Welfare Reform Bill this issue needs to be addressed as a matter of urgency;

- Advice NI would wish to see a funded childcare strategy in place in Northern Ireland before proposals which have a childcare impact are implemented;
- Very often partners of claimants provide significant assistance in terms of informal ad hoc childcare and caring arrangements. An unintended consequence of this proposal could be that this support is minimised with knock-on effects on wider family circles and the community in general;
- In some ways this proposal could be seen as dispiriting, counter-productive and pointless for claimants in the context of the current economic climate. If the proposal generates work related activity for the sake of it – this may well undermine the long term efficacy of welfare reform; creating a ‘revolving door’ syndrome and become demoralising for staff and claimants alike;
- There would be a concern about the ability of the Social Security Agency and the Department for Employment and Learning to be able to provide an effective joined up service to deliver on welfare reform. For example there is a different culture within these two Departments and differing approaches to the recording of client information. This disparity in approach could prove detrimental to claimants in particular where there are allegations that a claimant is not meeting their work related responsibilities, which ultimately may lead to benefit sanctions;
- Advice NI would highlight the fact that retirement age is increasing and that officials need to be aware of the needs of people nearing retirement age (particularly as the retirement age creeps up). There may be a proportion of these people who may not be sick/ill as such but feeling the effects of old age and who may very well be unable to work. There would be a question around subjecting these people to robust work related activity;
- An added point in terms of older people is the fact that the age limits for Disability Living Allowance and Attendance Allowance remain the same. It is the view of Advice NI that the upper age limit for DLA should also increase as the retirement age increases. In particular this will allow greater access to the mobility component;

- Advice NI would be concerned about sanctions that may arise from these proposals [see 'Sanctions' below];

### **'Contracting out'**

Advice NI concerns:

- Depending upon the resource allocations attached to these contracts, contractual requirements may incentivise providers to focus on targets to the detriment of the wellbeing of clients;
- Services may be directed towards those 'easiest to help' and be skewed from those hardest to help as these people may require longer term support; may need more resources in terms of support and may affect the contractors 'statistics';
- Advice NI would advocate involvement of service users and potential service providers in the contract design and commissioning stages as well as delivery stage. This inclusive approach should enable a more robust and effective approach – utilizing the expertise, skills and experience of all stakeholders;
- There must be clear accountability processes in place. Social security benefit claimants are used to dealing with, in the main, civil service staff. Any withdrawal from direct provision, replaced by third party involvement may serve to blur and confuse claimants; perhaps leaving them susceptible to unethical work practices as the provider is more concerned with achieving targets than providing a high quality service for the claimant. Claimants may feel unable to oppose or complain about such an approach by a service provider because they may feel that their benefit could be jeopardised;
- Whilst services may be 'contracted out', ultimately the particular Government Department must retain responsibility for the effectiveness of the service. A strategy for robustly monitoring and evaluating the performance of providers must be in place, and must include effective and independent mechanisms for garnering the views of service users;
- Tendering for a contract must place heavy reliance on quality as opposed to price – due to the vulnerable nature of the client group;

- There must be sufficient resources within contractual arrangements to ensure that work can be carried out not only to the required specification but also to the highest standard. Advice NI believes that the vulnerable clients concerned deserve no less;
- If such contracts are subject to competitive tendering, then the price will be driven down and as such will serve to reduce the resources available;
- Moves towards third party delivery must ensure equality of access. Coverage is important because the particular client group may not have the means to travel and compensate for the providers' own lack of coverage across a particular geographical area;

We would suggest that the following wording be included:

***(i) Before any function is 'contracted out' there should be an analysis of the resources required to perform that function and would-be contractors should be asked to clearly demonstrate in detail how they could perform the role within the specified price;***

***(ii) Contractors must conduct annual satisfaction surveys with a specified number of 'service recipients' in order to monitor the quality of the service provided from a service user perspective;***

***(iii) The relevant Government Departments must robustly monitor and evaluate the performance of providers, include garnering the views of service users;***

### **Lone parents**

Advice NI concerns:

- Given the current economic climate, the question has to be asked 'is this the right time to be introducing tougher conditions on lone parents claiming benefit?';
- Any sanctions that may be imposed will only serve to push children of lone parents on benefits into even greater poverty;
- We would draw attention to the childcare issues highlighted above including the points made about the lack of accessible, affordable childcare; the lack of a strategic

framework underpinning and supporting the childcare infrastructure in Northern Ireland and the lack of a funded childcare strategy in NI;

- Equality impact implications of the proposals as by far the greater number of lone parents impacted by this proposal will be women;
- This proposal would need to be rural proofed given the added problems that may exist for lone parents in rural areas of Northern Ireland including transport issues;

### **Abolition of Income Support**

Advice NI concerns:

- ESA and JSA may not be able to respond sufficiently effectively and flexibly to the needs of people who currently fit within the Income Support category, in particular with respect to those involved in caring;
- Undoubtedly greater conditionality will be attached to the benefit claims of these people; Advice NI would be concerned that one interpretation of this approach could be that the role of carers and lone parents is undervalued and that they become subject to penalties and sanctions as a result of their caring duties;
- Advice NI is aware that statements have been made to the effect that Income Support would be abolished only when there are no longer any groups for which it is needed, because alternative provision will have been made. We would remain to be convinced about the alternative provision – presumably if the intention is to shift claimants into full time employment there needs to be an infrastructure in place to replace the caring provided in respect of children and support those who are sick / disabled (particularly those with mental health problems);
- If and when people are moved off Income Support, the process must be robust, seamless and must not disadvantage those concerned;

We would suggest that the following wording be included:

***(i) Before any individual is moved off Income Support there should be 3 guarantees given (1) that they will not be disadvantaged financially; (2) they will be supported to continue their caring duties (whether for children or looking after someone who is sick / disabled); (3) they will not be subject to benefit sanctions as a direct result of their caring responsibilities – unless realistic, alternative caring provision can be clearly demonstrated;***

**Power to direct claimant to undertake specific work-related activity**

Advice NI concerns:

- Government have much to do to reconcile the points of view that (1) supporting people with health problems into work is the answer to their health problems; particularly when they have been assessed as medically incapable of work by both their GP and a doctor of the Department. There appears to be an inherent contradiction in this approach;
- There remains doubt that adequate support is / will be in place, particularly for people to manage health related conditions. This point relates to the need for joined up services to be in place across the benefits, employment and health sectors – and ideally with independent advice and information also available to enable benefit recipients to make informed choices about moving from benefits to work;
- Advice NI understands that approximately 40% of the current Incapacity Benefit caseload would concern people with mental health related health problems. As people migrate to ESA from IB; and as people with mental health related health problems make fresh claims to ESA; Advice NI would wish to see safeguards built into the system which protect the well-being of people with mental health problems. These may well be very vulnerable people who may not be able to articulate properly their problems;
- Advice NI notes the various evaluation reports on Pathways to Work (for people with disabilities) which would have found that Pathways had little effect on the employment or self-reported health condition of people suffering from mental illness. Given the numbers of people with mental illness within the Incapacity Benefit caseload, Advice NI remains concerned that a suitable form of support has not been developed to meet the

needs of this particular client group. In the push to remove claimants from benefit, we would remain concerned that people with mental illness may find themselves in the position of being removed from benefit and / or placed in employment; a position which may do nothing to improve their health and well being;

- Advice NI notes the work carried out Dame Carol Black which would tend to conclude that work is generally good for both physical and mental health and well-being. However on closer scrutiny, Dame Carol accepts that work is not the best place for everyone; that decisions have to be taken on a case by case basis; that it is difficult to generalise and that it is not about lumping people all together;
- Advice NI would be concerned that decisions as regards entitlement to benefit, fitness for work and taking up employment may be overly concerned with simple head count considerations rather than providing tailored support which is appropriate to meet the needs in each individual case;
- Advice NI would draw attention to the journey that many with health problems will have to make before being work-ready. We would like to see a continued focus on different elements of this journey including volunteering; education; training, mentoring and part-time work;
- The beneficial health effects of work related activity are questionable and depend on the nature and quality of the work (though there is insufficient evidence to define the physical and psychosocial characteristics of jobs and workplaces that are 'good' for health);
- In terms of ill or disabled people, we would say that there needs to be more focus on employers as regards what employment opportunities are actually available, ascertaining exactly what particular job roles entail and the support that would be available to claimants required to undertake particular work-related activities; including the capacity of small to medium sized employers to provide this level of support?;

### **Contribution conditions**

Advice NI concerns:

- The Bill proposes a significant restriction on eligibility for contributory JSA and ESA;
- This will in effect reduce the number of claimants who qualify for contributory ESA and JSA, and will force many more claimants on to means tested benefits, which are complex and suffer from low take-up.
- Other claimants will have no entitlement at all to means tested benefits;

### **Mobility component - DLA**

Advice NI supports this proposal in respect of severe visual impairment;

### **Carers Allowance and Maternity Allowance**

Advice NI concerns:

- Advice NI has been informed by Disability and Carers Service, Castle Court, that about 20 claims are taken per month where dependent additions apply; therefore this proposal will certainly lead to reduced income for those new claimants claiming Carers Allowance and Maternity Allowance;
- For many claimants the removal may lead to an increase in reliance on means tested benefits;
- Again for other claimants who fail the means test, they will have to live on a lower level of income than otherwise would have been the case;
- Advice NI notes that while this Bill is not enacted by the NI Assembly, dependent additions in respect of new claims can continue to be paid by the Social Security

Agency – a clear example that both in terms of timing and substance, there can be variation on the parity issue;

### **Community Care Grants**

Advice NI concerns:

- Government frequently highlights that financial inclusion is a high priority. Advice NI fails to see how the proposal to award goods and services ‘in kind’ will promote financial inclusion. Depending on the process (on which there is no detail) this may well further marginalise, exclude and stigmatise benefit claimants;
- Restrictions on the resources available to third party providers may well drive down the quality of the services and goods provided, as providers strive to provide these goods and services at least cost. This point flows back to the first point in that benefit recipients may find themselves further stigmatised through obtaining a sub standard good or service;
- There is a risk that scarce resources are deflected to administration of this third party provision rather than directly to the people who need the help;
- Please see points made above under ‘contracting out’;

### **Loss of benefit provisions**

Advice NI concerns:

- Any loss of benefit provisions / sanctions have the potential to be draconian and may very well result in hardship in many cases. This approach requires careful consideration given the particularly vulnerable nature of this client group;
- Increased responsibility and potentially benefit sanctions will effectively penalise those who are already accepted as being the most vulnerable in our society.

Sanctions must be a tool of last resort. There must be adequate safeguards in place to protect and encourage rather than penalise;

- People and in particular families cannot be left to simply fall foul of potentially multiple long term sanctions which effectively reduce people already living on minimal incomes. People and families must not be allowed to 'fall through the cracks' and allowed to 'flounder' as appears to be the case where similar approaches have been taken in the United States;
- If sanctions are meant to change a claimant's behaviour, claimants must clearly know why they are being sanctioned and must clearly be informed as to what steps they need to take to have the sanction removed. There must be a clear, claimant-focussed approach to loss of benefit provisions otherwise this approach will be seen as victimising the vulnerable rather than trying to support and assist;
- Benefits sanctions, for example regarding a failure to carry out a job seeker's direction, will impact upon the whole family (including any children in the household) and there needs to be a balance between encouraging people to move into employment and ensuring that these same people (and in particular their children) are adequately supported while on benefit.

We would suggest that the following wording be included:

***(i) In all cases where a loss of benefit / benefit sanction is being considered, there should be scrutiny of any such decision by a decision maker at the appropriate level;***

***(ii) In all cases where a loss of benefit / benefit sanction is being considered, there should be a minimum level of benefit below which the claimant's income should not drop;***

***(iii) Special provisions should be made where children are involved in cases where a loss of benefit / benefit sanction is being considered, over and above the stipulation that there should be a minimum level of benefit below which the***

*claimant's income should not drop. These may include the provision of tailored face to face support service for what would amount to the 'hardest to help' households in Northern Ireland;*

**Wellbeing of children**

Advice NI advocates that the following provision be included in all proposals where benefit has the potential to be reduced and where added responsibilities are placed upon those responsible for caring for children:

- (i) "... the officer must have regard (as far as practicable) to its impact on the well-being of any child who may be affected by it ...";*

**Contact information on this Social Policy Briefing Paper:**

**Bob Stronge (Chief Executive)**

**Fiona Magee (Deputy Chief Executive)**

**Kevin Higgins (Head of Policy)**

**Advice NI**

**1 Rushfield Avenue**

**Belfast**

**BT7 3FP**

**Tel: 028 9064 5919**

**Fax: 028 9049 2313**

**Email: [bob@adviceni.net](mailto:bob@adviceni.net)**

[fiona@adviceni.net](mailto:fiona@adviceni.net)

[kevin@adviceni.net](mailto:kevin@adviceni.net)

**Website: [www.adviceni.net](http://www.adviceni.net)**