

**A Response to: Call for evidence: Social  
Security**

**Issued by: Women's Budget Group**

**January 2020**

## Introduction

**1.1** This response has been submitted by the **Women's Support Network** (WSN) in Northern Ireland.

**1.2** Established in 1989 and based in Belfast, WSN is a regional organisation that works across all areas of Northern Ireland. It includes in its membership community-based women's centres, groups and projects, with a concentration in disadvantaged areas. WSN is a charitable and feminist organisation, which adopts a community development approach.

**1.3** Our **mission** is to advance women's equality and rights by working to influence policy, practice and provision while also regionally supporting and representing the interests, needs and perspectives of women, particularly those in disadvantaged areas.

## 2. Northern Ireland

### *Northern Ireland*

**2.1** The Welfare Reform (Northern Ireland) Order came into effect in December 2015 introducing a range of welfare reforms and bringing the social security system in Northern Ireland (NI) broadly into line with the rest of the UK. However, some of the reforms, including the introduction of Universal Credit, have been rolled out later in NI than in other parts of the UK.

**2.2** The socio-economic conditions in NI make it more vulnerable to austerity policies not least due to the legacy of the Troubles. NI tends to be disproportionately affected by any changes to social security due to its historically high levels of economic inactivity<sup>1</sup> and disability, lower average earnings and larger average family sizes<sup>2</sup> compared to the rest of the UK.

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<sup>1</sup> Women in Northern Ireland 2018, Northern Ireland Statistics and Research Agency, December 2018

<https://www.nisra.gov.uk/system/files/statistics/Women%20in%20NI%20-%20December%202018.pdf>

<sup>2</sup> 21.4% of families in Northern Ireland have 3 or more children compared to the UK average of 14.7%

**2.3** Not only are people from NI likely to feel greater impacts from welfare reform but women in NI are arguably likely to be the most impacted given women's vulnerability to these policies.

#### *Welfare Reform Mitigations*

**2.4** As part of the Fresh Start Agreement the NI Executive allocated £585million to 'top-up' the UK welfare arrangements in Northern Ireland over a period of four years until March 2020. This mitigation package included supplementary payments for those considered to be most adversely affected by welfare reform, full mitigation of the Bedroom Tax, supporting and protecting claimants with independent advice and alleviating hardship following the introduction of Universal Credit.

**2.5** A NI Audit Office report<sup>3</sup> showed that uptake on mitigation payments was below estimates, with £136 million of available funding not utilised in the first two years. Over 25% of this underspend relates to the Cost of Work Allowance, a supplementary payment recognising employment expenses, not being implemented.

**2.6** WSN is part of the CliffEdge NI Coalition<sup>4</sup> which has been campaigning for the mitigations to be extended beyond March 2020 and to be strengthened to take account of new challenges such as Universal Credit. We are pleased to see the newly reformed NI Assembly restored and to note a commitment in the 'New Decade, New Approach' Deal<sup>5</sup> to both extending existing mitigations and to carry out a review of the mitigation measures.

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<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/dhocs/005211familieswithdependentchildrenbynumberofdependentchildrenbyukcountriesandenglishregions2015>

<sup>3</sup> Welfare Reforms in Northern Ireland, Northern Ireland Audit Office, 17 January 2019

<https://www.niauditoffice.gov.uk/sites/niao/files/media-files/Welfare%20Reform%20Report%202019.pdf>

<sup>4</sup> The CliffEdgeNI Coalition is a group of over 100 organisations from across Northern Ireland who have come together to express concerns about the end of welfare reform mitigations in March 2020 and to campaign for their extension.

<sup>5</sup> New Decade, New Approach, January 2020

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/856998/2020-01-08\\_a\\_new\\_decade\\_a\\_new\\_approach.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/856998/2020-01-08_a_new_decade_a_new_approach.pdf)

### 3. Submission

#### **How should the social security system be reformed and what would the impact on gender equality be?**

##### *Impact of Welfare Reform Mitigations in Northern Ireland*

**3.1** There is no doubt that the mitigation package introduced in NI has helped protect many people from the most negative impacts of welfare reform. A review of the welfare reform mitigations<sup>6</sup> estimated that if they ended:

- Up to 1,500 families affected by the benefit cap would lose an average of £168 per month;
- Up to 34,000 households affected by the bedroom tax would lose an average of £50 per month;
- Up to 14,000 people with disabilities could lose up to £19.1million per year.

**3.2** In terms of gender equality the end of mitigations would have a greater impact on women than men. All of the households impacted by the Benefit Cap are either lone parents or couples with children (85% of capped households were lone parents as of July 2019 and 91% of lone parent households are headed by a female). In relation to the Bedroom Tax, Housing Benefit claim numbers show that 61% of claimants are female and 39% are male.

**3.3** As previously stated part of the mitigation package, the Cost of Work Allowance, was not implemented. This payment was intended to provide additional income to offset some of the costs of work. Payments were to be made to those receiving Working Tax Credit or Universal Credit who are in work and have low earnings. Due to the collapse of the NI Assembly the Department was unable to implement the Cost of Work Allowance scheme.

**3.4** The Cost of Work allowance had the potential to help many low-income women as it was recommended that it would have a “*special weighting for lone*

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<sup>6</sup> Review of Welfare Mitigation Schemes, Department for Communities, March 2019  
<https://www.communities-ni.gov.uk/system/files/publications/communities/dfc-review-of-welfare-mitigation-schemes-2019.pdf>

*parents taking account of the cost of childcare.”*<sup>7</sup> The costs of work for low-income working families in NI are likely to be higher because the 30 hours per week of free childcare available to parents of three and four years olds in other parts of the UK are not available in NI. It should also be noted that the CEDAW Committee recently expressed its concern about childcare costs particularly in Northern Ireland.<sup>8</sup>

### *The future of Mitigations in Northern Ireland*

**3.5** The CliffEdge NI Coalition has stressed the need for new NI specific mitigations to be developed to address new challenges including the introduction of Universal Credit (including the 5-week wait), the Universal Credit two-child limit and Local Housing Allowance cuts in the Private Rented Sector. A copy of a CliffEdge NI briefing paper has been attached with this submission.

**3.6** In attempting to design an effective mitigations package from 2020 onwards the NI Human Rights Commission (NIHRC) has suggested a model package of eight mitigation measures.<sup>9</sup> This includes the extension of existing mitigations on the benefit cap and bedroom tax and the implementation of the Cost of Work Allowance. Their impact on gender has been discussed above.

**3.7** New measures suggested in the NIHRC research include a Carer’s Allowance increase, the introduction of a Best Start Grant just like the one introduced in Scotland, offsetting the two-child limit and an additional payment for children in low-income families. All these suggested new mitigations are likely to have more of an impact for women given that more women claim

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<sup>7</sup> Review of Welfare Mitigation Schemes, Department for Communities, March 2019, Para 4.14

<https://www.communities-ni.gov.uk/system/files/publications/communities/dfc-review-of-welfare-mitigation-schemes-2019.pdf>

<sup>8</sup> *“the Committee is concerned that childcare costs remain excessive, in particular in Northern Ireland, which constitutes an obstacle for women in entering into and progressing in the workplace.”*

Concluding Observations on the eighth periodic report of United Kingdom of Great Britain and Northern Ireland, CEDAW/C/GBR/CO/8, March 2019, para 45

[https://tbinternet.ohchr.org/\\_layouts/treatybodyexternal/Download.aspx?symbolno=CEDAW/C/GBR/CO/8&Lang=En](https://tbinternet.ohchr.org/_layouts/treatybodyexternal/Download.aspx?symbolno=CEDAW/C/GBR/CO/8&Lang=En)

<sup>9</sup> Cumulative impact assessment of tax and social security reforms in Northern Ireland, Howard Reed, Jonathan Portes for NIHRC, November 2019

[https://www.nihrc.org/uploads/publications/Final\\_CIA\\_report\\_Oct\\_2019.pdf](https://www.nihrc.org/uploads/publications/Final_CIA_report_Oct_2019.pdf)

Carer's Allowance, there are larger family sizes in Northern Ireland and families with children have lost out more heavily from the reforms especially lone parent households.

### *Universal Credit*

**3.8** Universal Credit (UC) completed its rollout in Northern Ireland in December 2018 (natural migration). The Department for Communities (DfC) has estimated that around 312,000 households in NI will be transferred to UC by March 2023 when managed migration completes.

**3.9** The potential impact of the introduction of UC in Northern Ireland has been eased by some important differences which apply regardless of mitigations including twice-monthly payments and direct payments of the housing costs element to landlords. These flexibilities agreed by local politicians have helped alleviate some of the problems reported with Universal Credit in other parts of the UK.

**3.10** It has been argued that UC discriminates against women by design and that number of its design features are likely to have disproportionate impacts on women. These include the single payment, the lack of a second earner work allowance, problems with the way childcare costs are paid, increased conditionality especially for lone parents and the initial wait for payment.

**3.11** Many women's sector organisations have suggested changes to Universal Credit to ensure that it is fit for purpose and does not disproportionately impact on women. Women's Regional Consortium<sup>10</sup> research on the impact of austerity on women in Northern Ireland<sup>11</sup> added to the voices of other women's sector organisations in recommending a series of changes to UC that would help low-income families and women:

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<sup>10</sup> The Women's Regional Consortium includes Training for Women Network (TWN), Women's Resource and Development Agency (WRDA), Women's Support Network (WSN), Northern Ireland Rural Women's Network (NIRWN), Women's TEC, Women's Centre Derry and Foyle Women's Information Network (FWIN)

<sup>11</sup> Impact of Ongoing Austerity: Women's Perspectives, March 2019, Women's Regional Consortium

<http://www.womensregionalconsortiumni.org.uk/sites/default/files/Impact%20of%20Ongoing%20Austerity%20Women%27s%20Perspectives.pdf>

- Reduce the wait for the first payment of UC;
- Restore the work allowances in UC to their original levels in particular for lone parents;
- Increase the basic allowance in UC for lone parents under 25;
- Introduce a second earner work allowance for couples to support second earners, mostly women, to get into work without facing an immediate withdrawal of UC;
- Pay childcare support upfront and directly to childcare providers removing the burden from parents especially lone parents;
- Make split payments of UC the default option.

**3.12** The women’s sector in Northern Ireland expressed concerns about the default position of single payments of Universal Credit particularly in respect of domestic violence cases. It was argued that those most vulnerable to abuse are the least likely to be in a position to ask for split payments due to stigma and fear of repercussions from their abuser. Lobbying on this issue secured that in Northern Ireland a range of payments options would be available including split payments.

**3.13** In reality this is not happening and officials have confirmed <sup>12</sup> that they are proceeding on the basis that *“the DWP position is identical to the NI position with regard to split payments”* meaning that those seeking split payments have to specifically request them. Figures from the DfC confirmed that since the rollout of Universal Credit began in Northern Ireland only four split payments have been made.<sup>13</sup>

#### *Two-Child Limit*

**3.14** This policy reform limits the child element in tax credits and UC to two children from April 2017. Families unable to claim for a third or additional child will lose out on £2,780 per year.

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<sup>12</sup> In correspondence with Women’s Aid Federation NI in April 2018

<sup>13</sup> Confirmed in an email from the Department for Communities Universal Credit Customer Service to the Women’s Support Network, 01/05/19

**3.15** It is likely that Northern Ireland will feel a greater impact from this policy as it has the highest proportion of families with two or more children who would be affected. The average family size in Northern Ireland is the largest within the UK. 24.2% of children in NI stand to be affected by the two-child limit compared to a UK average of 21.6%<sup>14</sup>

**3.16** The two-child policy will undoubtedly affect women more than men. The vast majority of CTC payments are paid to the female parent (be that a female lone parent or a woman within a couple).<sup>15</sup> The Women's Policy Group Northern Ireland raised the impact of this policy on women in their opposition paper on the two-child tax credit cap and rape clause stating that the cap will mostly affect women and was discriminatory on the grounds of sex or gender.<sup>16</sup>

**3.17** Women's Regional Consortium research on the impact of austerity on women in Northern Ireland recommended the removal of the two-child limit in tax credits and UC as have many other women's sector organisations in NI.

#### *Impact of Austerity on Women in Northern Ireland*

**3.18** The Women's Regional Consortium produced research on the impact of austerity and welfare reform policies on the lives of women living and working in disadvantaged and rural areas of Northern Ireland.<sup>17</sup> This research showed the overwhelmingly negative impact of austerity and welfare reform on their everyday lives.

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<sup>14</sup> Supporting information from All Kids Count: the impact of the two-child limit after two years, The Church of England, CPAG, Women's Aid, Turn2us, The Refugee Council, June 2019 <https://cpag.org.uk/sites/default/files/files/All%20Kids%20Count%20report%20FINAL.pdf>

<sup>15</sup> Child and Working Tax Credit Statistics: Provisional Awards, HMRC, April 2018 [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/720161/CWTC\\_provisional\\_Commentary\\_-\\_main\\_publication.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/720161/CWTC_provisional_Commentary_-_main_publication.pdf)

<sup>16</sup> Opposing the two child tax credit cap and rape clause, Women's Policy Group Northern Ireland, May 2017 <https://www.womensaidni.org/assets/uploads/2017/05/opposing-the-two-child-cap-and-rape-clause.pdf>

<sup>17</sup> Impact of Ongoing Austerity: Women's Perspectives, March 2019, Women's Regional Consortium <http://www.womensregionalconsortiumni.org.uk/sites/default/files/Impact%20of%20Ongoing%20Austerity%20Women%27s%20Perspectives.pdf>



**3.19** Most of the women (78%) reported that they had to make cutbacks in their everyday lives and had been impacted by austerity. The research found that the women were having to take a range of actions to cope with austerity/welfare reform including cutting back on essentials, getting into debt, borrowing from friends/family to make ends meet, not using fuel/electricity to save money, going to foodbanks, etc.

**3.20** Many of the women were forced to make difficult decisions and to stretch already tight budgets further and further in order to provide for their children and families. This led to many personal sacrifices by women with resulting impacts on their health and wellbeing.

**3.21** This research led to a series of recommendations, some of which have already been outlined such as reforms to Universal Credit, the removal of the two-child limit and the extension and strengthening of the mitigations package in NI.

**3.22** Our research with local women<sup>18</sup> also highlighted issues with working poverty. Some of the research participants discussed the lack of support for working families on low incomes who struggle with increased costs of living, lack of affordable childcare and unexpected bills.

**3.23** Unfortunately paid work is not a guaranteed route out of poverty particularly for women. Women form the majority of low-waged workers, are more likely to work part-time and many struggle to increase their working hours due to caring responsibilities.

**3.24** There is a need for more support for low-income working families so that women are enabled to work, that work pays and that women are enabled to access better paid and higher quality jobs. Support through the benefits system for the costs of childcare, transport costs particularly for rural women and with

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<sup>18</sup> Impact of Ongoing Austerity: Women's Perspectives, March 2019, Women's Regional Consortium  
<http://www.womensregionalconsortiumni.org.uk/sites/default/files/Impact%20of%20Ongoing%20Austerity%20Women%27s%20Perspectives.pdf>

the costs of education and training at community-level could help more women and low-income families to escape poverty.

**3.25** Women’s Regional Consortium research with local women found a great deal of confusion about the benefits system, welfare reform changes and mitigations. The NI Audit Office also found *“the benefits system to be even more complex than it was before welfare reforms were introduced.”*<sup>19</sup> This shows the continuing need for independent advice to ensure that people receive their rightful entitlements. This advice is often best provided in trusted local spaces such as women’s centres and advice agencies, etc. The location of these spaces in local communities means they can better reach those who need help the most and in the ways best suited to their needs.

**3.26** The research also highlights the need to explore new ways of reaching the most vulnerable and marginalised including those with mental health issues. Government needs to consider that digital methods such as email, online and telephony-based systems do not work for everyone. While face-to-face information/advice is more expensive it is also, sometimes, the best way of reaching and helping the most vulnerable and must be adequately resourced.

#### *Making Ends Meet: Women’s Access to Credit*

**3.27** The Women’s Regional Consortium is in the process of finalising a research paper on women’s access to credit and borrowing. This paper will look at why women in Northern Ireland need to borrow money, where they go to get this money and their experiences of using different forms of lending particularly the more expensive forms of credit.

**3.28** Initial findings suggest that many women feel that welfare reform is making it increasingly difficult for them to make ends meet. The majority of the women in the research had borrowed money in the previous three years, many had multiple debts, they had often borrowed to meet essential expenditure such as

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<sup>19</sup> Welfare Reforms in Northern Ireland, Northern Ireland Audit Office, 17 January 2019  
<https://www.niauditoffice.gov.uk/sites/niao/files/media-files/Welfare%20Reform%20Report%202019.pdf>

white goods, household items, Christmas, etc. and a large proportion had used more expensive forms of lending to access credit such as doorstep lending and credit cards.

**3.29** Some of the women involved in this research reported that since the tightening of the criteria to access Discretionary Support it has made it much harder for them to access borrowing through the benefits system when they need help for essential items like white goods. Since Discretionary Support has replaced the Social Fund there has been a weakening of this safety net for the most vulnerable borrowers meaning that it no longer provides the support that it once did. This has the potential to push more people into the path of expensive lenders.

#### *The importance of Women's Centres*

**3.30** Carrying out research with local women in Northern Ireland always highlights the value of local women's centres and the services they provide in women's everyday lives. The welfare reform and austerity agenda has created a crisis situation where women need more help in the form of support, education and advice however support services for women are under serious threat from funding cuts with many organisations reducing services and losing staff. To compound this funding deficit it is feared that Brexit will also mean the loss of valuable EU funding. Government must ensure proper recognition of, and support for, the role of community-based women-only provision in addressing women's vulnerability and poverty in rural and disadvantaged areas.