



Northern Ireland Advice
Services Consortium

**Northern Ireland Council for Voluntary Action
and
Northern Ireland Advice Services Consortium**

Welfare Reform that works for Northern Ireland:

Our proposals for Further Consideration stage

1. Introduction

Northern Ireland Council for Voluntary Action (NICVA) is a membership and representative umbrella body for the voluntary and community sector in Northern Ireland. The Northern Ireland Advice Services Consortium (NIASC) is a partnership between Advice NI, Citizens Advice and the Law Centre, which represents the independent advice sector in Northern Ireland.

We do not support the Coalition Government's approach to Welfare Reform across the United Kingdom. However, we simultaneously recognise the fact that this is not something that the Northern Ireland Executive or Assembly has the power to prevent. We therefore recognise and accept the need for the Executive and Assembly to secure the best possible Welfare Reform deal for Northern Ireland.

In this spirit, we welcome the efforts of all parties, during the Consideration Stage of the Welfare Reform Bill, to work towards a system which works for Northern Ireland. In this paper we intend to add to this effort. We detail two "priorities for change" by which we feel the Executive and Assembly can make significant improvements to the Bill, which would both improve our social security system and deliver significant, long-term savings to the public purse.

2. Priorities for Change

Welfare Reform has already begun to be implemented in the rest of the United Kingdom. NICVA and NIASC have been studying this implementation intentlyⁱ, with a view to learning as much as possible about what has worked, what has not worked, and corresponding areas for improvement and innovation in Northern Ireland.

Introducing Welfare Reform to Northern Ireland after the rest of the UK offers an opportunity for us to learn the lessons of implementation to date, and deliver a tailored welfare system which works for Northern Ireland. Our two priorities, detailed below, aim to offer tangible improvements to the Welfare Reform Bill which would also deliver significant savings to the public purse.

2.1 Statutory right to advice

We believe that any claimant who requires assistance with an application during the implementation phase of Welfare Reform,¹ or any claimant facing a reduction in their income as a result of Welfare Reform, **should be informed of their right to independent advice.**²

Welfare Reform, when implemented, will constitute the single biggest set of changes to the welfare system in Northern Ireland since the 1950s.ⁱⁱ Implementing and realising these changes will be an enormous challenge for decision-makers, administrators and claimants alike.

Speaking in the Assembly on 12th January, the Minister for Social Development observed:

'If anything has been learned from the way in which Universal Credit in particular has been rolled out in the rest of the UK, it is more about its implementation than the overall policy intent.'

By implementing a statutory right to independent advice, the Executive would allow the independent advice sector to provide an additional layer of protection to those citizens most vulnerable to changes in the welfare system. This would allow the government, claimants and the independent advice sector to work co-operatively through the challenges of implementing the new welfare systems, and develop procedures and practices which work for all concerned.

By simply amending communications to include details of relevant independent advice centres in the claimant's area, we can ensure that all claimants who are negatively affected by welfare reform are afforded the option of free, expert, independent advice.

This advice would have to be properly funded. Implementing a statutory right to advice would result in significant extra traffic to independent advice centres across Northern Ireland, which will bring extra cost to these centres. However, we are confident that any cost would be more than offset by significant long-term savings to the public purse, as independent advice improves the accuracy and success rate of benefit decisions and implementation.

¹ We would propose that this initiative runs concurrently with the other proposed "mitigation schemes" during the roll-out of Welfare Reform, before being reviewed by the Department for Social Development and the voluntary advice sector.

² Members will have received a briefing paper from NIASC and NICVA during Consideration Stage of the Bill, which is available here:

lawcentreni.org/Publications/Policy-Briefings/NIASC-and-NICVA-support-statutory-right-to-advice-2015.pdf

2.2 Sanctions

NICVA and NIASC do not condone any fraud or wilful deception by a claimant or prospective claimant, which may lead to sanctions legitimately being applied. However, we believe that sanctions will not be effective in achieving their stated objectives of encouraging employment and altering claimant behaviour.

Evidence from the implementation of sanctions in the UK suggests that claimants rarely understand why they have been sanctioned, and these sanctions cause little change in claimant behaviourⁱⁱⁱ; in addition, recent research by multiple universities and charities has established that benefit sanctions do not demonstrably reduce unemployment amongst claimants.^{iv} Finally, data recently released by the Department for Work and Pensions has indicated that sanctions can have a disproportionate effect on claimants suffering mental health problems: this data revealed that ESA claimants who suffer from long-term mental health problems are being sanctioned at a rate of more than 100 per day.^v

Given such significant barriers to claimant understanding of the sanctions process, and the serious impact which any benefit sanction would have upon a claimant, we believe that the Assembly should focus on ensuring that the benefit sanctions process is fully understood by all decision-makers and claimants. This could be achieved by approaching sanctions in the following way.

On any occasion when a decision is taken to enforce a benefit sanction on a claimant, the following steps should be followed:

- The relevant statutory agency/agencies must provide the claimant with a clear, easy-to-understand written explanation detailing why this decision has been taken³;
- Claimants must be given a 1-month window in which they can commence a formal challenge against the sanction, during which time any sanction will not commence and the benefit will continue as normal;
- In their written explanation, the statutory agency must inform the claimant of the availability of independent advice, and provide details of independent advice centres in their area.

We believe that any disproportionate effect of sanctions is best mitigated by ensuring that statutory agencies provide claimants with clear accessible communication and explanation of the sanction decision; and that claimants are informed of their right to challenge the sanction, and the availability of independent advice.

Implementing these steps would ensure that claimants are fully aware of the sanction process, and their rights in relation to it – this would, in turn, reduce the number of “unsuccessful” or wasteful sanction referrals, and significantly reduce public expenditure on the sanctions system.⁴

³ Statutory agencies should, where applicable, also make this explanation available via the claimant’s preferred communication channel, particularly in the case of vulnerable claimants. This was initially recommended in Oakley M (2014) ‘Independent review of the operation of JSA sanctions validated by the Jobseeker’s Act 2013’, p12

⁴ Cf Oakley (2014) p7 – ‘Given the costs associated with running the system . . . the disparity between those being referred for a sanction and those who are actually sanctioned **results in a significant cost to the State.**’

3. Conclusion

Welfare Reform is coming to Northern Ireland. It is the duty of Executive Ministers and Assembly members, along with the voluntary and community sector, to ensure that this Welfare Reform will be the best possible deal for Northern Ireland.

In that spirit, we have made the above contributions. We appreciate the efforts of all parties to develop a tailored system which works for Northern Ireland. Our two proposals are intended to stimulate further consideration by the Assembly at Further Consideration Stage, with the aim of delivering a welfare system that delivers for the people of Northern Ireland.

We welcome the opportunity to make this contribution to the Welfare Reform debate, and are eager to continue to be a positive voice in the drafting, implementation and evaluation of the Bill. We welcome all opportunities and invitations to provide further information or clarification on these issues.

For further information, please contact Stephen Orme at Stephen@adviceni.net, or 028 9064 5919

ⁱ NICVA & NIASC (2014) 'Welfare Reform – The Reality' Conference, NICVA, 29 October. Proceedings available here: <https://storify.com/nicva/wrni14-conference>

ⁱⁱ UK Government press release (2012) 'Iain Duncan Smith: Welfare reforms realised'. Available here: <https://www.gov.uk/government/news/iain-duncan-smith-welfare-reforms-realised>

ⁱⁱⁱ Griggs J & Evans M (2010) 'A Review of Benefit Sanctions' Joseph Rowntree Foundation. Available at <http://www.jrf.org.uk/publications/review-of-benefit-sanctions>

^{iv} See Reed H (2014) 'How Effective Are Benefit Sanctions?' Oxfam, and Perraudin F & Wintour P (2015) 'Jobs revival' in spotlight as most of those who lose benefits fail to find work' Guardian, 20 January

^v Methodist Church (2015) 'New data: More than 100 people per day with mental health problems are being sanctioned'