Northern Ireland
Assembly

COMMITTEE FOR SOCIAL DEVELOPMENT

OFFICIAL REPORT
(Hansard)

Welfare Reform Bill

13 May 2010

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:
Mr Simon Hamilton (Chairperson)
Mrs Mary Bradley
Mr Mickey Brady
Mr David Hilditch
Ms Anna Lo
Mr Fra McCann

Witnesses:

Mr Paul Herink	)	Citizens Advice
Ms Lauren Kerr	)	
Mr Les Allamby	)	Law Centre (NI)
Ms Laura Niwa	)	
Ms Marie Cavanagh	)	Gingerbread NI

The Chairperson (Mr Hamilton):

From Citizens Advice, we are joined by Mr Paul Herink, its director of information services, and Ms Lauren Kerr, its information and policy officer. I welcome you both. My apologies for Tuesday, which turned into a bit of an epic session.

Mr Paul Herink (Citizens Advice):

It did.

The Chairperson:

Had we continued, we could not have done justice to your evidence, not least because, at that

stage, Committee members would probably have been asleep. Therefore, thank you for accommodating us today. I remind witnesses to turn off their mobile phones as the meeting is being recorded by Hansard. I invite you to make some opening remarks.

I advise members that, given the commonality of responses from many witnesses to the Bill's Committee Stage, the Committee Clerk has suggested that the Citizens Advice representatives focus their oral evidence on the abolition of income support and on the extension of conditionality based on work-related activity. After the witnesses have given a brief outline of their position, I will open the session to members' questions.

Mr Herink:

I thank the Committee for allowing us to give evidence on the Welfare Reform Bill. In its written response to the Committee, Citizens Advice raised concerns about a number of clauses, including those that deal with the abolition of income support, work-related activity for employment and support allowance (ESA) claims, "work for your benefit" schemes, social fund reform and sanctions. From our point of view, the philosophy behind those clauses is twofold: first, to achieve greater flexibility and personalisation of benefit conditionality; and, secondly, to reduce the number of working-age benefits. However, will the Bill achieve those aims?

Citizens Advice is one of three agencies that comprise the Advice Services Alliance (ASA). All three agencies have responded in writing and given evidence to the Committee. As the Chairperson said, to avoid unnecessary repetition, we shall concentrate on two main areas; namely, the proposed abolition of income support and mandatory work-related activity for ESA claimants. I shall hand over now to Lauren Kerr, who will cover those areas.

Ms Lauren Kerr (Citizens Advice):

The abolition of income support is the first main area of focus with which I shall deal. The Bill proposes to grant the power to remove the right to claim income support from any class of person who is currently entitled to it. Citizens Advice is particularly concerned about one group of people that the provision will affect: lone parents, who are currently entitled to, and do, claim income support. The Bill proposes transferring lone parents from income support to jobseeker's allowance. We feel that the policy driver behind the proposal is the continuing aim to encourage lone parents into employment. Citizens Advice questions that policy driver.

Is it necessary to abolish income support in order to encourage lone parents into employment, and if income support is abolished, will the aim be achieved? Is it possible to achieve a higher employment rate among lone parents in that way? Citizens Advice feels that achieving the aim is impossible, partly because the Bill fails to address the many barriers that lone parents face when they try to re-enter the workplace. The Bill takes no account of factors such as the lack of availability of suitable childcare for lone parents; the very high cost, if it can be found, of childcare; and the sudden 100% loss of benefit. If a lone parent goes back into work, the amount of benefit does not taper off; there is no financial transition period. In addition, there are increased incidental costs to finding employment, such as travel, getting suitable work clothing and finding tools and equipment for use in work.

Problems with the tax-credit system are another big issue that we hear about from clients who come into the bureaux. When people first apply for tax credits, administrative delays can cause a big gap between people's last benefit payment, when they are due to be paid for employment and when they receive tax credits, if at all.

From Citizens Advice's point of view, the proposal simply shifts lone parents from one benefit to another. It does nothing to encourage people into work by removing or seeking to address any of the traditional barriers. To increase the lone-parent employment rate, which the Bill tries to do, a balance needs to be struck. Moreover, some of the other issues have to be addressed.

In our written response, we tried to address some issues that are particular to Northern Ireland on increasing the lone-parent employment rate. We chose a typical bureau — the Causeway bureau — which, in the past year, showed a 25% increase in enquiries about jobseeker's allowance. On the whole, from December 2008 to December 2009, citizens advice bureaux saw a 42% increase in enquiries about redundancy. Employment is difficult to find at the moment, even for those with no other obstacles to employment. Again, the Bill does not really do anything to address that problem.

We pointed to two other areas in our written response, one of which was the higher levels of educational underachievement in Northern Ireland. Twenty-one per cent of the working-age population in Northern Ireland have no formal qualifications whatsoever, which is a much higher percentage than anywhere else in the UK. That needs to be addressed, because it is difficult to envision a benefit claimant with no formal qualifications being able to make an easy transition to

the workplace.

The other issue that we raised that is specific to Northern Ireland is the general lower level of wages paid here compared with those paid in the rest of the UK. In 2009, 16% of full-time employees in Northern Ireland were paid less than £7 an hour, which is a much higher proportion of people than in the rest of the UK. It is clear that low wages and the relatively high cost of childcare are big barriers to employment, and those barriers will not be removed simply by shifting people from income support on to jobseeker's allowance.

We understand that the Bill aims are to introduce a more personalised and flexible approach to the benefits system and to tailor support to suit the individual. However, we are not sure whether the Bill goes far enough to guarantee that that support will be available. If support is to be provided in order to help people into the workplace, it needs to be provided at the right time and to be resourced adequately; otherwise, people will be forced into a situation with which they cannot cope in the long term.

We feel strongly that income support does not need to be abolished in order to achieve a higher lone parent rate. We are not sure whether jobseeker's allowance is a suitable alternative benefit for lone parents. We are particularly concerned about jobseeker's allowance, because we feel that creating a category under jobseeker's allowance for lone parents who are not required to seek work overcomplicates an already fairly complicated benefits system. The Bill is supposed to make the system less complicated. However, it will, in fact, introduce exemptions to an already established practice in jobs and benefits offices and Social Security Agency, thereby making applications for jobseeker's allowance more prone to error and more difficult to administer. Citizens Advice does not want that, and we are sure that jobs and benefits offices do not want to experience that either.

The Bill creates a category of jobseeker's allowance claimants who are not seeking jobs. That is inherently confusing, because the benefit is called jobseeker's allowance. We are pretty sure that claimants, as well as officials, will be confused by that. Many people have been claiming either jobseeker's allowance or income support for a long time. If we asked people whether they wanted to make a claim for jobseeker's allowance, I am sure that they would presume they would have to actively seek work. That will be confusing for claimants, because they might not know which benefit they should apply for and might miss out on a benefit for which they are eligible.

Those are most of the points that we wish to make about the abolition of income support. However, there are some more details in our written response.

The other issue that we wish to deal with today is mandatory work-related activity for ESA claimants. Clause 10 will allow the Department for Social Development (DSD) or the Department for Employment and Learning (DEL) to specify the type of work-related activity that a claimant must undertake in order to meet the requirements of his or her claim. Citizens Advice is very concerned about that proposal. We are happy to note that, under clause 2, lone parents with children under the age of three will be excluded from that requirement. Nevertheless, the proposal does little to assuage our fears about lone parents or other claimants who do not have a child under three years of age.

The legislation as it stands attempts to limit the DSD's powers. Under clause 2, proposed new section 2F(3)(a) of the Social Security Administration (Northern Ireland) Act 1992 provides that work-related activity must be reasonable, and we are happy about that. Proposed new subsection (2) adds that the specified work-related activity may not be a medical or surgical treatment only. Although we are happy about that, the legislation does not say that the work-related activity cannot be medical or surgical treatment and one other specified activity. If the one other specified activity is extremely unsuitable for the claimant, he or she is left with a medical or surgical treatment only as being work-related activity. We are concerned that that will impose a medical treatment on individuals in order to ensure that they are entitled to their benefit.

We feel strongly that the discretion that is afforded to people's individual advisers by that type of power is too wide and that the legislation does not seek to limit its scope enough. The provision aims to limit what a client can count as work-related activity for his or her purposes. It is designed to ensure that the work-related activity is appropriate for the individual, and we understand that aim. However, we are concerned that it has the power to limit the type of work-related activity to a single activity.

It means that an employment and support allowance adviser can limit what is considered work-related activity for a claimant to one activity. Nothing else that the claimant chooses or tries to undertake will be counted as work-related activity. It is likely to discourage claimants who are prepared to undertake work-related activity but find that they cannot undertake the type of activities that they want because those have not been specified for them. It grants a very wide

power to a person's employment and support allowance adviser, and that is not acceptable in our opinion. That is all that I want to say on those two issues.

The Chairperson:

Thank you very much. From listening to your evidence and reading your paper on the abolition of income support, it seems that, rather than suggesting to the Committee that we pursue amendments, you are suggesting that we oppose the clause. Is that correct?

Ms Kerr:

Yes; we are not sure why the provision has been suggested. There seems to be little in the way of potential benefit to be gained from it; there is nothing in the way of an upside. We specifically oppose jobseeker's allowance's being an alternative benefit. However, if income support is to be abolished, we propose an amendment that the alternative benefit should be employment and support allowance, not jobseeker's allowance. That is inherently less confusing. People's limited capacity for work stems from the fact that they are a lone parent. There is no need for the creation of a separate category in jobseeker's allowance for people who are not required to seek employment.

The Chairperson:

You accept that the jobseeker's allowance on to which someone in those circumstances will be moved will be completely different to what you or I would receive. It is a subset, but there are conditions based on the age of the claimant's child, and so on.

Ms Kerr:

Yes, it is a subset. Indeed, it is almost a totally different benefit. The aim of abolishing income support is to reduce the number of working-age benefits. If the benefit is transferred to employment and support allowance, there is no need to categorise a whole different subset of claimants. Such level of amendment to legislation would not be required.

Mr Brady:

Thanks very much for the presentation. You can agree or disagree with me, but it seems from what you say that the abolition of income support is about leaving lone parents with no alternative. It takes away any choice. Lone parents have already suffered as a result of the introduction of child tax credits. Many of them have lost out on income support, and the benefits

that accrued, because they were in receipt of incapacity benefit, or whatever.

You mentioned childcare, which is a big issue. Working tax credit would encourage lone parents back into work. That is not an issue that DSD deals with, but working tax credit and childcare cannot be divorced. A proper working tax credit system needs to be in place. The situation is a shambles — there is no other way of describing it. Unless an individual goes to a registered childminder — in many cases, none is available — he or she cannot access childcare provision. Childcare costs are higher here than it does in other places. There is no legislation that makes local authorities responsible for it, as there is in England and Wales. The legislation seems to be a case of putting the cart before the horse. The Bill, because of those childcare issues, will particularly affect lone parents.

You also spoke about the cut-off point at seven years of age, which I consider to be too young. The outgoing Minister for Social Development said in the Chamber that she considers that, by the age of seven, a child and its mother have already bonded. I am not sure where she got that information from, but it is an interesting concept. I imagine that there are different development stages, but seven to me seems to be very young. You also made the valid point that a seven-year-old requires more childcare provision than a 10- or 12-year-old.
You also mentioned a personalised and flexible approach. However, there is no doubt that it is prescriptive.

We have been told by the Department that "work-related activity" is a euphemism for getting people towards work. However, the poverty trap is a problem for a lot of lone parents. Having to take low-paid work is an issue; you mentioned that 16% of people here are paid less than £7 an hour.

I also wanted to get your thoughts on parity in the Bill. Parity means having like for like, but if there is no infrastructure, there can be no parity. Although the benefit levels may be the same, the administration is different in relation to sanctions and other issues.

Ms Kerr:
Parity of the amounts of benefit paid is an ideal. We do not have parity of situation; there is no parity of experience of claimants. From that point of view it is hard to see how you can achieve parity without addressing the issues. Childcare is a huge issue; people in Northern Ireland are

more reliant on their tax credits to pay for their childcare than people in any other region in the UK. Until the rest of the issues are addressed and we are on a par with the rest of the UK in those terms, it is hard to see how we can achieve parity in any way other than in words, in written legislation.

Mr Brady:

We have been told that sanctions will not be imposed in relation to lack of childcare provision, which is fine, but how long is that going to last? If we introduce a system of which sanctions are an integral part, it will make things difficult. I am sceptical about that issue, particularly because sanctions will be introduced; there is no doubt about that. There may be a honeymoon period for a short time if it goes through — whether it does or not is another issue — after which sanctions will be introduced, as they have been in the past.

Mr Herink:

That is a concern to us. It is enabling legislation; commitments can be given now but can be taken away six months, 12 months or two years down the line. You are right. We are very concerned about parity, because the environment here is very different, particularly, again, in relation to childcare and education levels. Those issues need to be addressed in order to bring parity of experience between ourselves and Great Britain.

The Chairperson:

Whenever we have tested this issue, the Department has made it very clear that a lack of childcare in a particular area or in particular individual circumstances will not result in sanctions being imposed, and parents will be covered by that. Clause 25 of the Bill talks about the well-being of children. Do you have any thoughts on that? My understanding is that the insertion of that clause was as the result of a House of Lords amendment.

Ms Kerr:

Our counterparts in England and Wales argued for the insertion of that amendment. Our concern is generally around the amount of discretion that that type of clause affords to individual advisers. The well-being of a child is an open-ended situation; there is no definite yes or no. It takes a lot of certainty away from claimants — they are not sure whether they will be sanctioned, and it causes doubt.

The Chairperson:

The nature of those types of discussions is that they are of necessity ambiguous. No person's set of circumstances are the same as another's.

Ms Kerr:

Yes. From a Northern Ireland point of view and, indeed, that of our counterparts in England and Wales, sanctions on any benefit should never be imposed on a lone parent with a child under seven. That would be a hard and fast way of ensuring that sanctions are not imposed on those who are particularly vulnerable.

Mr Brady:

You mentioned travel to work. A lot of lone parents live in fairly isolated rural areas and have to rely on public transport. That bumps up their costs, even if childcare is available. That is another issue. Unless they access the childcare element of tax credits, there is really no point. It may be therapeutic, of course, to get them out of the house.

Ms Kerr:

A lot of claimants want to get out of the house and work, but to do so would leave them much worse off financially. That is not normally an option for them.

The Chairperson:

The explanatory and financial memorandum says about clause 25 that:

"that the well-being of the child should be taken into account when agreeing the activities that a parent will undertake as part of an action plan of jobseeker's agreement".

That is quite limited in some respects. Are you suggesting that that consideration of the child should be taken further?

Ms Kerr:

Ideally, the obligation to consider the welfare of the child should be extended, but I am not entirely sure how, or what amendment could be made to the clause to make it more of an obligation or a determining factor for the adviser who is considering it. That particular clause is well-drafted, but it affords a certain amount of discretion.

The Chairperson:

Are you largely content with it?

Ms Kerr:

We are largely content with it as it stands.

Mrs M Bradley:

Mickey has touched on a couple of things that I wanted to ask about and I will not repeat them, but I am concerned about the tax credits. That is the benefit that our constituency offices get most complaints about. I am particularly concerned about people who have been getting tax credits and are then asked to pay them back. That is a big problem for parents and it has put a lot of young parents on low wages off claiming the benefit because they cannot be bothered to do it. Do you share my concerns about that?

Ms Kerr:

Yes, we share concerns about tax credit repayments. We have a lot of clients with concerns about tax credit repayments when they feel that they have done everything in their power to keep Her Majesty's Revenue and Customs (HMRC) up to date with their circumstances. It is very frightening for people to get a letter saying that there is a lot of money owed when they feel that they have done everything right.

Mrs M Bradley:

If the title of jobseeker's allowance (JSA) were to be changed, would you be content?

Ms Kerr:

Again, in doing that you are going against the policy behind this, which is to make things simpler. That would not make the process simpler and easier. If income support were abolished, the only way to make things simpler and easier would be to entitle lone parents to employment and support allowance (ESA).

Mr F McCann:

Unless I missed it, there is no mention in your document of the reform of the social fund and the community care grants being paid directly to suppliers.

Ms Kerr:

No, I do not think that there was. I think we did include that.

The Committee Clerk:

[Inaudible.]

Mr F McCann:

That is what I am asking.

Mrs M Bradley:

I can recall someone inquiring about that before and we were told that that was not going to happen.

Mr F McCann:

They said the other day that it was going to happen.

The Chairperson:

There is nothing in the Citizens Advice paper.

Mr F McCann:

I was just asking whether Citizens Advice has an opinion on that.

Ms Kerr:

Erm —

Mr F McCann:

The other issue is that of sanctions. Sanctions are widely used across —

Ms Kerr:

They are.

Mr F McCann:

Has Citizens Advice dealt with the results of people being sanctioned? What is your opinion of the way that that is used at present?

Ms Kerr:

More than half of our inquiries are benefits related. We get a lot of queries about whether

sanctions are being imposed fairly. Often, the problem with sanctions is that the person feels that they are being unjustly sanctioned, or they are not sure why they are being sanctioned at all. They feel that they have done everything that they possibly can to comply with the requirements for whatever benefit it is, be it JSA or ESA. In our case, it is normally people who claim JSA who tend to be sanctioned.

It is difficult, because there has to be some method by which the jobs and benefits offices can ensure compliance with their procedures. Fairly wide discretion on whether a sanction will be imposed is sometimes afforded to individuals. We support tightening up the discretion that is afforded to individual advisers.

Mr F McCann:

That could be said for clause 25 as well. It is up to the person who is dealing with it. When we were dealing with the Housing (Amendment) Bill, there was an argument and debate on whether "shall" or "must" should be used. This Bill is wide and does not allow the adjudicator to say that he has to take something into consideration.

The Chairperson:

Before you leave, I want to summarise for the benefit of the Committee. You can stop or correct me if I am wrong in my summation of your overall evidence. Citizens Advice suggests an amendment to the "work for your benefit" schemes to ensure remuneration for participants in line with a minimum wage. You oppose the extension of work-related activity conditions, as that may adversely affect groups who will not benefit from employment. You also oppose the tightening of the prescription of categories of income support recipients, as that will adversely affect lone parents with children over seven who have limited access to childcare. Citizens Advice opposes the abolition of income support and proposes phased and tapered reductions in benefit to incentivise people returning to work. Citizens Advice opposes the "one strike" policy in respect of benefit fraud and 1- to 2-week sanctions for failure to attend an interview. Is that fair?

Ms Kerr:

Yes.

Mr Herink:

That is fair.

The Chairperson:

Thank you for your time, your evidence and the paper that you submitted.

Mr Herink:

Thank you for listening.

The Chairperson:

Our second briefing on the Welfare Reform Bill today is from the Law Centre. Joining us this morning are Les Allamby, the director of the Law Centre, and Laura Niwa, the policy officer. You are both very welcome. Members have a cover note from the Committee Clerk and a copy of the Law Centre paper, and all the other relevant papers. I remind you to switch off your mobile phones.

I invite you to make a brief statement. Due to the commonality of the responses received, the Committee Clerk suggested that the Law Centre focus on parity, sanctions and equality impact assessment (EQIA) issues.

Mr Les Allamby (Law Centre (NI)):

I will make a few opening remarks and cover the issue of parity in the Bill, and Laura will cover sanctions and EQIAs. We will be happy to take questions on both issues and anything else that is in our briefing or in the Bill.

I think that the Bill should be called — and I heard Mickey Brady use the phrase — the "welfare reform cart before the horse policy on a wing and a prayer and a nod and a wink Bill for Northern Ireland". I will explain why I feel that way.

The Chairperson:

Is that not the long title of the Bill?

Mr Brady:

We will amend it.

Mr F McCann:

It is the small print.

Mr Allamby:

It may even be the title that the Department uses in invisible ink. I would call it that because there are major changes in the Bill. Citizens Advice mentioned the abolition of income support; there are absolutely no details about how it will work in practice. That is a pretty fundamental reform. There are some interesting options around working-age benefits, but, as ever, the devil is in the detail. Lone parents were mentioned earlier. However, what will happen to carers if income support is abolished? That is a particularly interesting issue that would be worth focusing on. In fairness to the Department in Britain, it has said that it is not sure how it will deal with that, but that it will bring forward proposals. That is not the way to run a railroad or reform welfare.

Secondly, the Bill is full of ideas that have to be tested with pilots, which is a wing and a prayer. One example is the provision of "work for your benefit". It will be tested in Britain and we will see what happens. It appears that it will then be applied in Northern Ireland, but the circumstances are different in Northern Ireland. It should be piloted here to see how it works, and then we can decide whether we really need legislative provision.

The final title of the legitimate Bill, of provision on a nod and a wink, is that it is full of provisions that increase sanctions or conditionality, depending on the term that you prefer to use. However, we are told that, in effect, they will not be applied, so there will be more sanctions for lone parents. It will be a little bit like the provision that starts when a lone parent's youngest child reaches 12, 10 and seven years old. Sanctions are attached if they do not engage. The Department has given lots of assurances that, in practice, it will not sanction lone parents. In fairness, on the ground, that is our experience. However, if lone parents will not be sanctioned, why put stuff in the Bill that threatens that in the first place?

That is our vox pop line on the Bill. We now come to social security parity and how it operates. I have done a very short paper — I can leave it with the Committee afterwards — which I hope will be of some value. It goes very briefly through the historical issues around parity. Effectively, the legislative provision is section 87 of the Northern Ireland Act 1998. It states that the Secretary of State for Work and Pensions — now Iain Duncan Smith — and the

Northern Ireland Minister — Alex Attwood — when they get to know each other, will be responsible for social security and shall consult with each other to secure that:

"to the extent agreed between them, the legislation … provides single systems of social security, child support and pensions for the United Kingdom."

Effectively, it is about co-ordination; there is no absolute legal requirement for parity.

I am long enough in the tooth and realistic enough to know that there are considerable constraints around the Treasury arrangements for the funding of social security. I am also wise enough to know that there is a considerable financial subvention to the advantage of Northern Ireland due to maintaining parity in respect of the level of benefits and contribution conditions. The money comes outside of annually managed expenditure. It is not part of the Barnett formula, and it is advantageous to us.

There are Treasury documents that show very clearly that, if the Assembly or the Northern Ireland Executive took fundamental decisions to move away from parity, there would be ramifications. Those could include the Treasury deciding to reopen how all of that is funded. There is a received wisdom that may or may not be right, because it has never been tested, that if the Northern Ireland Executive decided that they liked older people more than younger people, and they funded more benefits for older people by taking away benefits from younger people, the money for that would come from Northern Ireland expenditure while the money that was saved would head across the Irish Sea, so there is no great financial leeway to make such radical decisions. That is the overall position. It has never been tested, and I am not sure that we are asking or suggesting today that it should be tested.

That is the backdrop to the Welfare Reform Bill. We already have considerable differences in parity. We have rate rebates while there are still council tax benefits in Britain, and we have greater powers to make deductions from social security benefits here in Northern Ireland because of historical legacy. We also have slightly different rules about studying and benefits. Last year, we decided, quite rightly, not to implement a change to housing benefit about capping eligible rent. We have different administrative arrangements for how lone parents are treated in respect of the recent changes that were made. They are more flexible and favourable, and, in large measure, are a recognition of the lack of childcare provision here compared to other parts of the UK.

There is considerable divergence between the Welfare Reform Act 2009 in Britain and

Welfare Reform Bill. There are eight major differences. There is provision in the GB Act for powers to make those addicted to specific drugs, such as heroin and cocaine, accept treatment in order to continue to qualify for benefit. A pilot scheme that is being brought forward in Britain is, in my view, full of holes. We have decided, quite rightly, not to take those powers here. The GB Act provides similar powers in relation to the misuse of alcohol. Although the Department for Work and Pensions (DWP) has stated that it does not plan to do anything with that power, the idea that the receipt of benefit may be conditional on a person having treatment for alcohol dependency smacks of a major social engineering project.

Sections 16 and 17 in the GB Act provide powers to contract out the provision of social fund loans to an external provider; to give that power to somebody else, whether a third sector, credit union or commercial organisation. After the Department had its fingers burnt with the previous Government's social fund plans, I do not think that there is any imminent plan to do anything with that; nevertheless, that power has been taken. We support the Department in Northern Ireland's wish not to take such a power. There is a technical amendment about operating following a previous pre-Budget statement; we are now past the date at which that would have applied anyway.

A pilot scheme to allow pension credit to be awarded without having to make a claim is now being put together in Britain with a view to seeing how that might improve take-up. There is no plan for such pilots in Northern Ireland; it is not in our Bill.

The whole of Part 2 of the Act in Britain — "Disabled People: Right to Control Provision of Services" — builds on the direct payments scheme. Rather than receive social services support as part of a package of care, you can have the equivalent financial sum to spend yourself on buying in the care, giving more flexibility and control. Powers to build on that approach are not being implemented here. In effect, our direct payments scheme has barely been taken off the drawing board. I do not think that there is a great desire in the Department of Health, Social Services and Public Safety to extend that; therefore, it has not found its way into our Bill.

Powers to be taken by the Child Maintenance and Enforcement Commission, such as disqualification from holding a driving licence or a passport for up to two years, have not been applied in Northern Ireland but are in the GB Act.

We have already made very significant changes between our Bill and the GB Act. The question is whether has that gone far enough towards recognising our differing circumstances. For the record, none of those changes are ones that I would argue long and hard should necessarily have been in our Bill.

To quickly summarise, there are small parts of the Bill where the argument for parity is pretty compelling and will probably prevail. Those are clauses 11 and 12, which deal with the contribution conditions for JSA and contributory ESA. They are restrictive; the Law Centre does not agree with them; we do not think that it is a good thing to tighten contribution conditions, particularly in a way that requires a claimant to have worked 26 weeks. There is recognition that people who work seasonally may have worked for short periods and have paid enough contributions. Those people should get their insurance without having had to work 26 weeks. I can understand the argument that there is a fundamental issue there around parity.

The progressive extension of higher-rate mobility component in clause 13 for people with severe visual impairment is an improvement. Again, I see an argument for parity there.

We disagree with the abolition of adult dependency increases, because people who have paid National Insurance should receive the benefits that go with that. I would not like to tell someone who had paid home and contents insurance that the company had changed its mind and, despite their policy, they could not claim for what was taken from their kitchen, only what was taken from the living room or bedroom. I do not see why one should do the same thing with National Insurance. However, I can see the parity argument there.

Frankly, that is it. Everything else should be looked at through the prism of the needs and circumstances in Northern Ireland. On that basis, we do not think that you should be abolishing income support or taking the powers to do so. That is not because there is no parity argument but because we just do not know enough about it. We think that proper policy-making should be about bringing forward proposals and ideas, debating them and, then, on that basis, legislating. We should not legislate first and work out the details later.

As regards lone parents with children under seven, I can see a strong case for saying that we should not implement the arrangements in Northern Ireland. We are in favour of encouraging lone parents to go back to work, but we should do that through support and encouragement, not

through a mandatory scheme. Let us do something different in Northern Ireland. Let us call it a test or a pilot and see whether it actually works by encouraging lone parents, rather than forcing them, into work-related activity. Then we can compare the result with that in Britain. That would seem to be a more sensible approach than simply adopting what is being done in Britain. We really do not know yet how the provisions for parents of 12-, 10- and seven-year-olds will work. We do not have the childcare infrastructure, and, for those looking for jobs, the economy is not family friendly. Therefore, that should not be introduced. In our view, there is no parity reason for it.

The same applies to sanctions. We do not think that sanctions should be extended. There is no need to do so. Again, given the circumstances in Northern Ireland and the jobs market, it is inappropriate; they do not work. Let us try to see what happens if we do not have a mandatory regime attached to almost everything that we do. That might provide a very interesting comparator with what is being done in GB.

Ms Laura Niwa (Law Centre (NI)):

I will take some time to look, in particular, at the sanctions in the Bill. Les has already referred to the move to further increase conditionality. That and the proposals to introduce sanctions on claimants for non-compliance raise particular concerns for the Law Centre and others in the sector. I will examine the wider issue of sanctions and then some specific clauses in the Bill, but I will be as brief as possible.

Although sanctions are considered necessary for the functioning of the benefits system, it seems to be very difficult to answer the central question of whether sanctions actually work by inducing individuals to act in accordance with the job-search regime. Research by the Department for Work and Pensions on the Pathways to Work pilots found little evidence that the imposition of sanctions resulted in increasing interest in, or movement towards, work. Evidence from those evaluations and earlier work with JSA claimants suggested that claimants themselves believe that sanctions have only a weak influence on their own behaviour, especially as regards job search.

Nearly half of those sanctioned — 46% — stated that the threat of a sanction would make no difference to whether they looked for work. Therefore, even if we assume that sanctions can reduce the time on benefit and fulfil stated objectives, which evidence from the UK that we have seen does not seem to support, they can only be effective when benefit recipients fully understand

their responsibilities and know how to modify their behaviour to avoid a sanction. JSA studies found that not all JSA recipients actually understand the sanctions regime as it stands or, therefore, how to avoid a sanction. That suggests that the current system for both active and inactive claimants is not working as intended, as some claimants do not fully understand their responsibilities or how to alter their behaviour to avoid the imposition of a sanction. Therefore, based on the evidence that is available, the continuing work in the Bill to increase the imposition of conditionality and sanctions as part of a new benefit scheme needs further working out.

The other issue is that it may also have a negative effect on the relationship between the claimant and his or her personal advisor, which the Pathways to Work pilots have shown to be pivotal to success. It seems that in programmes with strong mandatory elements and high sanctioning rates, the relationships between customers and programme staff are likely to be characterised by higher levels of conflict. UK research has consistently pointed to the importance of a supportive personal adviser/customer relationship, which could be jeopardised by increasing mandation. That is particularly concerning in the context of the Bill, given the high levels of discretion and responsibility that are given to the personal adviser/client relationship.

A further consistent message has emerged about the impact that sanctions would have on individuals. A recent survey showed that 68% of those sanctioned stated that they had experienced financial hardship as a result of a sanction. Such hardship might also have implications for someone's emotional well-being and relationships with family, especially if the family is supporting the sanctioned individual.

The financial and other hardships that sanctions cause will have a negative impact on wider Government targets, including those on child poverty and social inclusion. Indeed, continuing with a sanctions-led approach seems to be inconsistent with OFMDFM's review of child poverty, which recognises the positive contribution that benefits can make to reducing it. Although that review specifically called for a benefit-uptake strategy, we believe that some of the Bill's proposals could result in benefit deprivation rather than uptake. Furthermore, the proposal to increase the use of sanctions could have substantial cost implications, given the potential associated rise in appeals. Leaving so much to the discretion of personal advisers means that there could be challenges. Given that, we believe that the Department needs to produce its own evidence that demonstrates that sanctions are effective. As Les mentioned, consideration may be given to running pilot schemes in Northern Ireland on some of the Bill's proposals before they are

agreed. The pilot schemes on some of those proposals will be running in England only, and, as we all know and have commented on, the evaluation of those schemes will be based on a totally different infrastructure to that which is in Northern Ireland. Therefore, we query how pilot schemes in England can be evaluated properly for potential impact in Northern Ireland. We recommend that pilot schemes should also be run in Northern Ireland prior to any plans being made to roll out the changes.

I will quickly highlight some of our concerns on specific clauses, and further details on those concerns can be found in our briefing. Clause 3, which deals with lone parents, has been discussed, so I will not spend a great deal of time on it. As we said, we support positively encouraging lone parents into paid work at appropriate times. Efforts to move lone parents back to work should be done through measures that are tailored to support and encourage them, rather than through sanctions. As has been mentioned, the childcare infrastructure is not in place in Northern Ireland to support the proposals, and we know that Gingerbread NI will be briefing the Committee next. That organisation will be able to give further information on the potential impact on lone parents and their relationship with childcare provision. Without that childcare infrastructure, the proposals will essentially be unworkable. It is not appropriate simply to transfer the provisions in the Westminster Act to Northern Ireland. Parity arguments, such as those that Les Allamby outlined, must take into account the equality of opportunity, access and support that is available in the different jurisdictions. Although we appreciate the Department's statements that sanctions will not be applied in such cases, we still query the necessity of including such proposals in the Bill at a stage when they cannot, and will not, be implemented in Northern Ireland.

Clause 19, which deals with the loss of benefit provisions, will introduce benefit sanctions for four weeks following a first conviction, caution or administrative penalty for a benefit fraud offence. Again, we do not see any further need for benefit sanctions to combat fraud. We note that the Department's figures show that benefit fraud is at the lowest level ever recorded in Northern Ireland, and in the light of the apparent success of the current system, we query the cost-effectiveness of introducing a further sanctions regime.

Similarly, clause 20, which is on jobseeker's allowance and sanctions for violent conduct, will make provision for a benefit sanction of one week for claimants who are convicted of, or cautioned for, violent or threatening behaviour towards staff or contracted-out staff. Again, we

do not support the proposal to use sanctions in response to aggressive claimants. Assault is a criminal matter and should be dealt with by the appropriate law-enforcement bodies and not through benefit sanctions. We know that taxation penalties are not applied to people who are aggressive in tax offices, and we cannot see why benefit claimants are singled out for a different approach under clauses 19 and 20.

Clause 21, which will repeal sections 53 to 57 of the Child Support, Pensions and Social Security Act (Northern Ireland) 2000, will bring an end to a pilot scheme that has been in operation in England since 2001. In the areas concerned, benefit sanctions were applied to offenders who were found to be in breach of specified community orders. As with the other studies that have been referenced, the evaluation results of those pilot schemes showed that enforcing benefit sanctions is not effective. Furthermore, the cost of implementing that scheme resulted in a cost to the state of £5·60 for every £1 that is recovered via a sanction. Again, that is further evidence that the imposition of sanctions is not cost-effective.

Clause 24 deals with good cause for failure to comply with regulations. We welcome the clause, and we welcome the recognition that regulations must include the availability of childcare and the claimant's physical or mental health or condition in the list of circumstances to be taken into account in defence of the imposition of a sanction. We acknowledge the difficulties that people with physical or mental health conditions face in undertaking mandatory activities, and we believe that it is important that claimants of such conditions are treated with an element of discretion to allow for times of ill health. We therefore recommend that stronger safeguards be put in place in the legislation to ensure that personal advisers implementing the Bill are not given full discretion to determine whether a claimant has good cause for failure to comply with the regulations. A claimant's mental health and ability to engage in the return-to-work process may be highly complex and sensitive, and it should not be left solely to the discretion of a front line staff worker who does not have the relevant expertise or understanding of a claimant's condition.

Clause 27 is the main one. It deals with attendance in connection with jobseeker's allowance, which we have dealt with already. The clause allows payments to be suspended if a claimant fails to attend a mandatory appointment or make contact with Jobcentre Plus within five working days without showing good cause for failure to attend. We believe that the clause fails to take into account the myriad reasons why a person may miss an appointment. If the clause becomes law, it could result in some particularly harsh cases of sanctions being imposed. Overall, we query the

rationale for introducing proposals on sanctions without clear evidence that they work. We remain concerned that the Bill places a high level of discretion responsibility on personal advisers, which raises equality of application concerns about how the legislation will be rolled out across Northern Ireland. Sanctions cannot be a one-size-fits-all measure. The Bill does not adequately address the specific needs of a number of groups, including lone parents and those with mental health issues, learning disabilities or literacy concerns.

I wish to speak briefly about the equality impact assessment (EQIA) on which we were asked to comment. The EQIA was based on the UK's Welfare Reform Act 2009. It was completed in December in 2009 and went out to consultation in September 2009. Our main concern was the decision to conduct the EQIA based on the Westminster Act. We know that there were a limited number of responses to the EQIA, perhaps because it was not based on a Northern Ireland version of the 2009 Act. We were concerned that the potential impact on section 75 groups had not been fully considered, because the EQIA was considered in the context of the Westminster Act instead of the Northern Ireland Bill. We were also concerned that gaps in the potential impact had not been considered, again because the EQIA was not based on the Northern Ireland legislation.

The Chairperson:

I wish to pick up on your last point first. Do you think that the failure to carry out an equality impact assessment on the basis of the local Bill subjects it to potential challenge?

Ms Niwa:

I will ask the lawyer to speak about challenges.

The Chairperson:

A lawyer will challenge anything.

Mr Allamby:

Lawyers will challenge anything. I take a slightly jaundiced view of my profession; I can say that because I am a lawyer.

I do not think that a challenge on the failure to carry out an equality impact assessment based on the Northern Ireland Bill would succeed, because the Act in Britain is sufficiently similar for it to withstand a challenge. I am always up for a challenge. However, if you were to ask me

whether I think that that failure could scupper the Bill, my honest answer would have to be no.

The Chairperson:
That is fine.

Mr Brady:
Thank you for your presentation. It is clear that you are absolutely enamoured with the Bill. I am surprised that lawyers take a jaundiced view of anything.

You addressed the issue of parity very well. The arguments that are constantly being made against having parity are the costs involved, the issue with the Treasury, and so on. Is it possible that there will be parity in maintaining benefit levels? The issue is about the whole administration of benefits, how the 2009 Act may apply here and whether we should have our own version, which seems more sensible to me. You mentioned that some parts of the Bill are compelling and sensible, but so much of it is not sensible.

The Bill is prescriptive, particularly about lone parents and people over 50, who are going to have to go for work-focused interviews. Can the Assembly produce legislation that is relevant to the prevailing situation here, particularly for the benefit system?

The abolition of income support does not leave any alternative. If employment and support allowance were to be applied to lone parents in particular, it would make more sense, but if income support is abolished, people will inevitably be forced on to jobseeker's allowance. The issue of sanctions has been dealt with adequately, but the result of many of the work-focused interviews that are conducted by personal advisers is down to their discretion — discretion, in my experience, without flexibility.

There are issues around that that need to be addressed, because if the Bill becomes law, it will be like putting the cart before the horse. Until a proper infrastructure is in place, the situation will become increasingly difficult for lone parents and carers. There are 185,000 to 187,000 carers in the North who are, in a sense, isolated. There are issues about how a carer's allowance should be addressed as a stand-alone benefit.

The Bill will impose provisions that really should not apply; it is not tailored to suit the local

situation in many ways, particularly given the higher proportion of lone parents. It has been statistically proven that we have a higher proportion of people with a disability and people with mental health difficulties, particularly among younger people. Arguments around support and infrastructure have not been addressed. What are your views on those issues?

It is obvious that, as we scrutinise the Bill clause by clause, we will have the opportunity to make changes that can directly affect the most vulnerable. Surely we are here to try to prevent the most vulnerable from being affected. A measured and honest approach must be taken, because, ultimately, the people who will be affected will be people who are unemployed, lone parents, carers and older people. A fair balance will have to be struck.

Mr Allamby:

My view on parity and its role in the Bill is that a great deal of scope exists to do things differently if we so wish, without there being any parity ramifications. The Treasury is not about to reopen the level of benefits paid to claimants in Northern Ireland as opposed to that paid to claimants in Britain on the basis that we have decided not to make benefit entitlement conditional on compulsory treatment for people who are dependent on, for example, heroin or cocaine. The number of those people was so small that it was felt that such conditions were neither necessary nor appropriate. The Treasury is not about to start reopening benefit levels on the basis that we have done things differently, nor will it do likewise if we decide to do something different for lone parents.

I am sure that Gingerbread NI will cover the issue of childcare in more detail, but, at a time when jobs are scarce and unemployment is high, access to what I will call family-friendly jobs is even more difficult to find. Let us examine, for example, the case of a lone parent whose youngest child may be three, four or five years of age. If an older child is at primary school and starts at 9.30 am and finishes at 2.00 pm, lone parent working is predicated on whether that parent has got someone else to pick the child up. Alternatively, the parent will have to look for work in very particular hours. In the employment world at present, such people are not in a position to dictate to employers that they want to work between the hours of 9.30 am and 2.00 pm, particularly if the job is full-time. Much of the work that is available is from 6.00 pm to 10.00 pm. A person wants to work in a supermarket has to be flexible enough to be able to change hours or do shift work, neither of which is family-friendly. We need to recognise the reality and do things differently in Northern Ireland.

With the exception of contribution conditions, the extension of the mobility component to include severe visual impairment and the abolition of the dependency increases, which I mentioned, I do not see anything in the Bill that should be passed simply because of parity.

Take, for example, the abolition of income support. I am not arguing that we should not have a working-age single benefit at some stage. If we can have a working-age single benefit, tell us what it will look like, how it will affect carers and how it will treat lone parents and other people. When we know that, we will be able to say whether it makes sense in Northern Ireland, and we can then pass the powers to introduce it. We should not pass legislation and then wait to see what happens. That does not seem to me to be good practice. There is no reason why the Assembly cannot go further with the legislation than the Department has already gone. In fairness, the Department has moved away from quite a bit of the Westminster Act.

Mr Brady:

Thank you for that. Laura mentioned sanctions. Experience tells me that if people are sanctioned, they will appeal. We are talking about *[Inaudible]* as opposed to an appeal that takes a fair amount of time and costs quite a lot of money. The saving to the public purse would be disproportionate to the amount of benefit that was saved by sanctioning the person.

In working towards a universal benefit, which is, obviously, the intention, it seems that more focus is being put on departmental efficiency than on providing a benefit that will be beneficial to the claimant.

Mr Allamby:

It is about sending out some messages, and Laura may wish to add to my comments. Research that DWP commissioned shows that one fifth of the people sanctioned had no idea that they had been sanctioned until after the event. It was not as if they took a conscious decision and did something. The idea that it prevents an individual from taking certain action is doubtful. It also became very clear that certain groups of people were prone to being sanctioned. In Britain, those groups of people were people from ethnic minority backgrounds. That might be something to do with language ability, but we do not know why. People with learning difficulties and literacy problems were also prone to being sanctioned. It is those vulnerable groups. Those people had an unawareness of what was expected of them. The research does not suggest that they were

defying rules around benefits or trying to find a way around the system. Therefore, the system does not catch the people whom "it is supposed to"; it does not work.

Another issue in the Bill that is worth bearing in mind is that a number of the provisions allow an individual only five days within which to rectify issues. If an individual fails to attend to sign on or attend an appointment, for example, he or she has five days to rectify that and show good cause. An individual's mother might fall down the stairs and be rushed to hospital, for instance, on the day of the individual's appointment. If the individual spends the next few days at the bedside, is it fair to say that the individual has missed the appointment and that he or she has five days to rectify that? One will see already the variety of hard cases that will occur. There are matters that need to be ameliorated, if we are not going to get rid of them altogether in the Bill. People need to be given a longer time in which to justify good cause. Five days is not long enough for failure to meet an appointment, when the reason for that failure could be anything from the wilfulness of the individual, for which there would not be much sympathy, to family circumstances, for which one would have every sympathy.

Circumstances will arise in which individuals who have suddenly realised that they should have been at an appointment comes back a week later and says that their mother is in hospital and that they have been at her bedside for the past seven days. We do not want to be in a position in which individuals are told that the authorities acknowledge that they have good cause for failing to attend but that it is too late, yet that is what some of the provisions of the Bill will result in.

The Chairperson:
I want to return to the issue of parity. It frustrates me as much as it probably frustrates every Committee member that parity is put forward as a reason not to do things, rather than a reason to do things.

Let us start from the position of presuming that the Department has experience in drafting social security legislation for Northern Ireland and has tested how far parity can be pushed. I am uneasy with much of the Bill's content, and, from listening to the Minister, I know that there is a much that she is uneasy with too. Indeed, she has tested the flexibility of parity legislation. As much as I may agree with many of the points that you made, I have a difficulty. I am a cautious person. I do not gamble with my own money, so I am not about to start gambling with Northern Ireland's social security budget. To proceed along the lines that you, for good cause, are

encouraging us to proceed along would be for us to act as much on a wing and a prayer as some of elements of the Bill are.

I have made the point in the Chamber before that, in many respects, the parity argument can render the Committee Stage completely pointless. However, we are here now, and we are teasing out the issues. It is important that we discuss all these matters. You said that parity really affects only three or four clauses directly, and, therefore, we can open discussions on around 30 clauses. However, where will we be if the Department, which has drafting experience and has tested the parity issues, says that we cannot proceed?

Mr Allamby:

We have had amicable discussions with the Department. I do not wish to gamble unduly either. You will not generally find me betting on anything in a bookie's, and you will certainly not find me betting on the social security entitlement here compared with that in Britain. I have acknowledged the clauses that raise parity issues, some of which I do not like. Excepting those, I think that the Department's view is unduly cautious. I suggest that we look at the other 30-odd clauses on their merits, because they do not have massive parity implications.

If the Assembly says that it thinks that it is the right thing to do to test parity, based on Northern Ireland's needs and circumstances, that is fine. If you are uneasy with it and say that you do not think that it is the right way forward, that is also a perfectly legitimate viewpoint. I do not think that there are parity ramifications in deciding not to proceed. You may not get rid of all 30 clauses, but I suspect that you will find that at least another half a dozen of the clauses will go and another half a dozen will be modified and ameliorated. To me, that seems a perfectly legitimate approach. The Department carried out its assessment and got rid of some parts of the GB Act, but it has not gone far enough. I would not bring the risk of parity of entitlement into play. There is nothing in the Bill that would do that beyond what I mentioned.

The Chairperson:

The Committee finds itself between a rock and a hard place. Too many people have come forward to identify various flaws in the legislation for there not to be something in it. The Committee will go back to the Department to test and probe every one of the flaws that has been raised by you and others. However, I confidently predict that the Department's response will be that the legislation cannot be changed for this reason or that reason. That puts the Committee in

the invidious position of having to say that we have tested all the points that have been raised but will not take the gamble. In the process, we disappoint you and others.

Mr Allamby:

I understand that. I will give an example with which even the Department may have some sympathy. I cannot see behind me, so I do not know whether the departmental officials present are grimacing or otherwise. On the issue of lone parent provision, there is a compelling argument to make. Having moved from provision for parents of children aged 12, 10 and seven, we should say that we have different administrative arrangements and should now complete the process. Let us assess how that works, and let us park the continued mandatory engagement of lone parents with children aged one to three.

Let DEL introduce a voluntary scheme, which would not need to be legislated for, and if it turns out that the scheme in Britain works wonderfully well and gets lone parents into work, and DEL thinks that it makes sense, there is nothing to prevent the Department from implementing the scheme in Northern Ireland in, say, two years' time. Having looked at conditions here and at the wider scheme in Britain, we could insert a clause into another welfare reform Bill. By then, all uneasiness will have been allayed. That would be perfectly proper to do, and it seems to be the more appropriate way in which to go about things.

Ms Lo:

Many of us share the concerns that Les and other voluntary organisations raised. There are many question marks over the workability of the legislation. I am particularly interested in your suggestion to pilot "work for your benefit" benefit schemes here. Often, we hear from the Department that pilot schemes are going on in England and that it is waiting to see outcomes before following suit. However, outcomes from pilot schemes in England may differ greatly from outcomes that we might get from running our own scheme. As you said, compared with England, people here suffer from many more disadvantages, including lower wages and fewer available jobs. I do not know how workable or doable it would be to run a few pilot schemes in Northern Ireland with our own specific conditions. Is it possible for the Department to think about that?

Mr Allamby:

There is no reason why the Department should not pilot something. If it decides to do so, we

must recognise that it must have the powers to do so. Therefore, there is an issue there. In some areas, we should be doing things differently to see the contrast. That is where we are with the lone parent issue. We do not think that the provisions should be extended below the youngest child of seven years of age. We should take a voluntary and encouragement approach, which does not need legislation.

DEL's "work for your benefit" scheme options are quite different from those that DWP offers. For example, we do not have the same level of future jobs guarantee. We are not sure what changes we will see from the recently formed coalition Government. In some circumstances, therefore, I can see a clear case for piloting what is likely to work in three or four benefit offices. That is what we did, for example, when the equivalent of Pathways to Work was rolled out. To look at how it worked before rolling it out, we started with three social security offices — Ballymoney, Lurgan and one other. We have experience of piloting initiatives to encourage people to work, so it would not be new for Northern Ireland to take a small number of offices and see what works. There is precedent for doing so.

Mrs M Bradley:

Les, you mentioned that people who do not sign on in time will have five days to certify what was wrong with them or to give a reason for their failure to attend. Should there be a separate allowance for people with learning difficulties or mental health problems?

Mr Allamby:

Our starting point is that five days is not enough, regardless of people's circumstances. Those with learning or literacy difficulties are another good example of people for whom five days may not be enough. The problem is with the five days. Rather than stipulate five days for one group and 21 days for another, which would make everything more complicated, we would be better telling everyone that, for example, 10 or 21 days is allowed.

If there is good cause for missing an appointment, it should be good cause. It should not be a case of a good cause and having five days to prove it.

Mr F McCann:

Mickey has touched on a lot of stuff that I would have said. Do you agree that the premise of all this is the availability of work, and that the whole scheme, especially given that we are in the deepest recession for many years, should be suspended until work is available, and that in the

meantime we should look at how it can be refined to suit the local situation?

Mr Allamby:

The long-term unemployed are competing with the newly unemployed, and they will struggle. If you have been unemployed for two years and out of work for a long period, it will probably be tough to compete with people who lost their jobs recently. With the long-term unemployed, it is about trying to build confidence, skills and experience, and that is time- and resource-intensive.

If you really want that to work, it has to be voluntary rather than compelling people to attend classes. If you compel people to go to something that they do not want to go to, they will struggle to get the value out of it. You have to win people's hearts and minds. It makes much greater sense, therefore, to be involved in what is effectively a voluntary contract. I understand the concerns that people will just sit there and do nothing, etc. My experience, however, is that most people want to get back to work. The question then is to persuade them about how best to do that. Rather than compelling people to go on training courses that may or may not be useful for them, you have to start from where people are and develop their skills. The trouble with all these provisions is that you very quickly move to a one-size-fits-all.

You had Paul Gregg's "progression to work" ideas about tailoring services to the lone parent's needs. However, what the Department produced in Britain based on that quickly became a one-size-fits-all. That is what happens when you are dealing with large numbers, and my worry is that that is what we will do in Northern Ireland. That one size will suit some very well; it will not suit others. That is not the way to go.

Mr F McCann:

I have dealt with a number of cases of people having been sanctioned for non-attendance at meetings. There were different reasons for that, and I found little flexibility in the system. Is there any evidence of success from the pilot schemes in England? Most people just take sanctions on the chin and walk away.

Ms Niwa:

I do not know the rates regarding appeal success, but we could certainly *[Inaudible.]*

Mr Allamby:

I have not seen the figures either. There is a notion that everyone does appeal sanctions, but I am not sure that that happens. There is a lack of knowledge or understanding. The DWP research showed that some people thought that their benefit had changed because something else had happened to them, and not that they had been sanctioned. The paradox is that there is a cost involved in a large number of people appealing. Interestingly, some people do not appeal because they still do not understand that their benefit has been reduced. I suspect that we are back to literacy and learning difficulties, etc.

The Chairperson:

Maybe we can try to find out that information.

Mr Hilditch:

You indicated that sanctions for violent conduct are a criminal issue and should be best left to the courts. Why not both?

Ms Niwa:

We are just examining why there should be a different system for benefit claimants than for other claimants such as those in tax situations. Why the differentiation? It seems to be a double penalty on a certain section of the community. We question the fairness of that. If it is a criminal matter, why do they need to be penalised twice if it is dealt with fairly before a court of law and they have a penalty imposed for their actions? Why then impose another sanction, given the possible impact on dependants and family who may be penalised with a reduction in benefit as opposed to just the person who was aggressive or violent?

Mr Hilditch:

Are you worried that the person might turn to further crime to get money, as has happened before?

Mr Allamby:

That is one danger. It is a form of social engineering that does not apply anywhere else. In theory, if you are going to do this, do it. Some people are violent at the Housing Executive office, the local GP's surgery or the hospital, and that is unacceptable. However, we do not tell people who are violent in the local hospital that we will increase the tax that they have to pay, if

they work, or that we will go to his or her employer and take some money because of the individual's violence. The violence is dealt with through the criminal sanctions, which is the appropriate way. The other argument about that is that if the violent offender is a man who has a partner and four children, it is not only him who is being penalised. The other five people in the household, who may have had nothing to do with the incident and who may not be violent, are being penalised as well. It is a blunt instrument.

Mr Hilditch:

Thank you. I just wanted clarity on that issue. If anyone gets violent in the DUP office, I have my stick. *[Laughter.]*

Mr Brady:

As far as I have been told, and as far as I am aware, the main plank of parity is predicated on the subvention and the amount of money. It is, initially, all about money. As someone who has seen the effects of bad legislation over the past 30 years and its effect on people, I do not think that we should be in a position of rubber-stamping decisions, as has been talked about. Ultimately the Assembly will make that decision. One of our roles is to steer the Assembly in the right direction. It is entirely up to the Assembly what it does after that. Bad legislation is bad legislation; there is no point in saying otherwise. We have a duty of care to the people who will be affected by the legislation. Without affecting the amount of money, we could introduce a much better system.

You both said that if you have a good scheme that saves money, it goes straight back to the Treasury. An example of that is pension credit. There is a huge under-uptake, if that is the right expression, of pension credit. That money does not go into health or education here; it goes back to the Treasury. We are talking about approximately £1 million a week. That needs to be looked at as well. There has been talk here about a system that is similar to that which applies in many European countries, through which people who reach pension age do not have to make a claim. It is all done by computer, which seems to be a very sensible system. I have spoken to people who have studied that.

David mentioned violent conduct. I have worked in a social security office and seen people become violent for many different reasons. In some instances, they were provoked, because they had not been paid money when they should have been. Quite a few of them had mental health

problems. Very few people were being violent for the sake of being violent. You will always get those. It puts people in a situation where their families are penalised. That does not happen anywhere. I have been in social security offices when staff have been attacked, but the staff understood the reasons for the attack and did not want prosecutions to follow, but management, perhaps for good reason, pursued that. The reasons why people become violent need to be looked at closely.

Take, for instance, employment and support allowance (ESA). People were left without payment for three months. We went to the ESA headquarters. It has an efficient system for taking claims, but the difficulty lies with getting money out to people. It is efficient in taking claims, but inefficient in producing the end product.

The Chairperson:

Thank you for attending this morning. Your evidence has been interesting, and members got a lot out of it.

The Committee will now receive a briefing from Gingerbread NI. I invite Marie Cavanagh to give us a brief run through her evidence.

Ms Marie Cavanagh (Gingerbread NI):

I thank the Committee for allowing me to come along today. I have submitted comments in writing, and hopefully members will have had the opportunity to look through them. Gingerbread is the lead organisation representing lone parents in Northern Ireland. We work closely with government Departments, the community and voluntary and private sectors, the Law Centre, Save the Children, the Northern Ireland Anti-Poverty Network and many others, to address some of the issues that arise for lone parents.

There are 95,000 one-parent families in Northern Ireland, which represents about a quarter of the family population, that is, families with dependent children. Those families incorporate around 150,000 children. Gingerbread is a membership organisation with 1,500 lone-parent members, and 150 associate groups that support lone parents. Statistical evidence and recent research by Save the Children indicates that 70% of children in one-parent families are in poverty, and 30% are designated as living in severe or persistent poverty. More than 60% of lone parents rely on some type of benefit. That can be income support, jobseeker's allowance,

disability benefits, tax credits and various in-work benefits. While 56% of lone parents currently work outside the home, more than 90% indicated, when asked, that they wanted to. Those statistics put in context some of what I will say about the Welfare Reform Bill.

Gingerbread's input will focus on issues as they affect lone parents. My community and voluntary sector colleagues have covered other areas. We see the Bill as introducing a "work for your benefit" philosophy and focusing on sanctions to achieve that. It also proposes to increase pressure on lone parents to seek employment. The Bill will require lone parents whose youngest child is under seven years of age to actively seek work as a condition of benefit entitlement. It also proposes to change how and when community care grants and budgeting and crisis loans are awarded, with the compulsory introduction of identified suppliers for the provision of goods and services, rather than claimants being awarded money to buy the items.

Those are some of the issues that I want to put a bit more flesh on. I do not intend to keep you too long.

On the issue of assisting people to obtain employment, in other words the "work for your benefit" schemes that have been mentioned already in some detail, we believe that applying that scheme to lone parents with children who are under seven years old is unreasonable. Without the childcare provision that would be required to implement that, and without payments being guaranteed, it will be disadvantageous to lone parents. It will discriminate against them directly.

We and lone parents already subscribe to the progression to work philosophy. We are very disappointed that the Bill offers no additional premiums for lone parents in receipt of income support who take part in work-related activities. As I have mentioned already, Government and Gingerbread Northern Ireland's research indicates that although 56% of lone parents are currently working outside the home, over 90% want to work outside the home. Research also shows that many lone parents have to rely on part-time work to enable them to meet their caring responsibilities when they are in work. Inevitably, that leads them to falling into the low-paid sector. Rather than creating incentives to encourage the progression to work, the Bill imposes sanctions on lone parents where they do not undertake sufficient work-related activities. We oppose that.

The proposal to require lone parents who have children under seven years old to actively seek

work as a condition of JSA is discriminatory and unworkable in the current climate. Northern Ireland has the lowest levels of childcare provision in Britain and Ireland, with just over eight places per thousand for children who are under five years old. That means that many lone parents who are currently in work rely on children's school time to enable them to access employment. Gingerbread Northern Ireland's research with lone parents has also highlighted the practice of primary schools having different finishing times for classes, depending on the age of children. That specific issue is relevant to Northern Ireland.

The current age limit is 10, and it is proposed to reduce it to seven in November. When we have consulted on that issue with lone parents, they have very vociferously argued that it is totally and absolutely unworkable. They also believe that, even with the age at 10, they are being asked to make a judgement call that they should not have to make. In fact, many lone parents indicate that they often feel that their children need the support of the parent who is resident with them until their early teens, which is partly to do with the implications of relationship breakdown. We argue that 10 is low, seven is too low, and anything below that is completely unworkable.

The issue of primary schools having different closing hours has made it difficult for lone parents to co-ordinate work time with children's pick-up times. The other issue that has been highlighted through research is the long summer holidays. Lone parents have to take extended periods of unpaid leave to meet their caring commitments during that time. Members should bear in mind that those issues already impact on lone parents who are in work. If welfare reform is to achieve its identified objectives of getting more lone parents into work, that will be exacerbated for more people.

Although Gingerbread, like the Law Centre, supports a policy of positive encouragement, the efforts to move lone parents back to work should be through measures of tailored support rather than sanctions. That should be done at a time of the lone parent's choosing, as our research indicates their willingness to work outside the home. In other words, we do not see a need for sanctions. Lone parents have, for a number of years, indicated that they are perfectly encouraged to move into the workplace if the infrastructural support is there to allow them to do so.

The current economic climate, with its high unemployment, will make it difficult for lone parents to secure jobs that will allow them to combine their work and family life. That will adversely impact on child poverty if lone parents are exposed to any risk of benefit sanctions.

The inclusion of such sanctions without the required infrastructural support for lone parents to implement their willingness to work is unjustified and will be detrimental to the welfare of children in the family. It is also counterproductive in light of the Assembly's already-vocalised commitment to eradicate child poverty by 2020. You will all be aware that the Assembly will be attempting to implement strategies to do that over the coming years. Les Allamby said that previous reports have shown clearly that benefits are seen as an integral part of the attempt to achieve some of those targets.

Gingerbread believes that the clauses relating to the social fund, and specifically to community care grants relating to specific goods and services, should be removed from the Bill. We believe that the proposal to make payments to third-party suppliers will reduce choice for individuals and prevent competitive pricing. Although I have read that in Britain it was implied that the measures would create competitive pricing, we do not agree, and our argument is exemplified by the school uniform grant, which certainly did not lead to reduced prices and useful competition.

We also believe that it will increase the stigma on lone parents and other claimants who have to use the social fund from time to time. It interferes with individual independence, and it will impact on lone parents' willingness to claim benefits. As an organisation that provides advice, representation and information to lone parents on numerous social welfare and benefit issues, Gingerbread is aware, at first hand, of the difficulties that lone parents already face in accessing the social fund loans and community care grants. Introducing further obstacles to claims will be detrimental to the well-being of children and will increase the representation workload on the independent advice sector as well.

I will give the Committee some examples. Gingerbread runs an advice service for lone parents. It is a small activity within the organisation, and it receives limited funding, so there is a limit to the amount of work that it can do. However, even with those limited resources we are currently working with between 8,000 and 10,000 enquiries a year from lone parents about benefit issues, in-work benefits or other related benefits. Over the past number of years, we have been instrumental in the uptake of between £750,000 and £1 million a year by lone parents who had previously not had access to benefits to which they were entitled. There is definitely a need to encourage the uptake of benefits, and creating obstacles will not improve conditions for families.

I was not going to mention the sanction of benefits for violent conduct in benefit offices, but as there was some talk about it a minute ago, I will do so. We commented on it previously, and we do not support that proposal or the use of sanctions in that regard. Like the Law Centre, we consider any violent activity to be a matter for the criminal justice system, and it should be dealt with through due process. Implementing sanctions would be a double hit and would be somewhat discretionary. If an act of violence is committed, it should go through due process and be dealt with properly. Any sanctions on individuals that might impinge on the provision of food, clothing, warmth or shelter will have a detrimental impact not only on the individual concerned but on his or her family and children as well.

On the issue of the exemption from job-seeking conditions for victims of domestic violence, we welcome the Government's recognition of the extreme stress and difficulty felt by victims of domestic violence. However, we argue that the 13-week period will not be sufficient for those experiencing domestic violence to be ready to engage in job-seeking or to be work-ready. We suggest that the number of weeks should be increased or that the process should be open-ended. We are not suggesting that some people may not be able to start that process within 13 weeks, but making that the general rule will prove difficult at the implementation stage; not everyone will come through the process in the same way.

We do not believe that discretion is appropriate, because claimants will be reliant on the approach taken by individual personal advisers. Unfortunately, our experience of the ability of jobs and benefits office and Social Security Agency personal advisers to give consistent interpretation to legislation, particularly where discretion may be involved, is not good. We believe that claimants across the board — not just those who experience domestic violence — could be significantly disadvantaged.

I will give two recent examples of that from our point of view. Lone parents have approached us, through our advice service, to tell us that when they went to jobs and benefits offices or Social Security Agency offices they were told that because their youngest child was 10 or older, they were no longer viewed as lone parents. Quite frankly, the responses that personal advisers have received in that context have clearly shown them that those people are still lone parents. The implication of that has been access to other services.

One particular example is the employment and support services that are available to lone parents. Given that the social security adviser had indicated that the individual concerned was no longer a lone parent, the jobs and benefits adviser decided that that individual was not entitled to a place on a Steps to Work or New Deal programme. That matter was resolved because we were available to achieve its resolution. Lone parents who do not have access to services or do not go to their local advice service may run into difficulties. We acknowledge that the Government are recognising that there may be good cause, but the way in which that is implemented may be different.

When it comes to good cause for failure to comply, Gingerbread welcomes the acknowledgement of the difficulties faced by those with physical or mental health conditions in undertaking mandatory activities. We agree with the Law Centre. I will not labour that point, except to say that where it applies to lone parents, studies across the UK and elsewhere have shown that lone parents are more likely than the general population to experience poor health. Recent research by Gingerbread indicated that stress was a major problem for lone parents. More than two thirds of lone parents surveyed reported experiencing chronic stress. Recent analysis of the Northern Ireland household panel survey showed that mothers of children in poverty are significantly more likely to have poor mental health and well-being than parents of children who do not experience poverty. That directly refers back to the fact that the vast majority of children of lone parents are experiencing poverty.

Northern Ireland does not have sufficient childcare infrastructure in place to enable lone parents to move seamlessly into work outside the home. We want to highlight the fact that, as the Law Centre points out in its written submission:

"Public Bodies in Northern Ireland are under no obligation to assess and meet local childcare needs as is required by the Childcare Act 2006 in England and Wales."

That point that has been raised a number of times. We do not have a coherent childcare strategy. Les Allamby's point about the cart being before the horse is evident in the way that this legislation is being implemented in circumstances in which the infrastructural support that is needed to prop it up is simply not available.

Gingerbread believes that the welfare and well-being of children must be paramount. That principle is already enshrined in the Children Act 1989.

We believe that parents are, in the main, best placed to determine what is in the best interests of

their children's welfare. We welcome the acknowledgement of children's well-being but believe that the inclusion of the potential use of sanctions and increased pressure on parents, particularly lone parents, to move into work with which they disagree is counterproductive and flies in the face of children's well-being. We also believe that the imposition of a mandatory scheme and the removal of choice directly discriminate against lone parents. Our organisation held discussions internally about the requirement in the Welfare Reform Bill to mandate parents generally, and lone parents specifically, to move into the work environment. One opinion was that two-parent families have a choice about whether one of them will remain at home and care for the children, whereas lone parents have that choice removed from them by their circumstances. Gingerbread, therefore, encourages the introduction of a voluntary system as opposed to a mandatory one.

I will say only a couple of words about sanctions, because that has been more than adequately dealt with by my colleagues today. Gingerbread believes that the increased use of sanctions will have a substantial adverse impact on dependants as well as claimants. We also believe that that counters the Assembly's commitment in the Programme for Government to eradicate child poverty by 2020. In fact, the imposition of sanctions will result in an increase in child poverty and will counter any improvements that benefit uptakes may produce in relieving child poverty. If sanctions are not going to be implemented, what is the point of the clause? The Department should consider that.

As a general observation on the issue about the equality impact assessment, which was mentioned earlier, Gingerbread believes that policy and legislation that impact on lone parents need to take account of gender divisions in work and employment and of the way in which women's choices about paid work are shaped by social and political assumptions, and by expectations about their domestic and caring role. Legislation that attempts to move lone parents, especially lone mothers, into employment without addressing other fundamental gender equality issues is unlikely to succeed. Gingerbread also believes that the implementation of the legislation will have a detrimental, adverse impact on at least one category in the section 75 groups in the Northern Ireland Act 1998. To that end, we feel that further EQIAs should be undertaken in Northern Ireland and that their recommendations should be implemented.

In conclusion, Gingerbread NI believes that the implementation of legislation in Northern Ireland on the basis of pilots carried out in England would be erroneous. We have already pointed out that Northern Ireland does not enjoy the childcare, training or jobs support

infrastructure that exists in England, and to implement legislation on the basis of an evaluation of how that worked in England provides no clear comparison. We submit that any attempt at reading across the UK legislation should, at the very least, be piloted in Northern Ireland if any accurate or reasonable comparison is to be achieved. We have something in common with our colleagues in Scotland. All the pilot programmes that DWP has identified have been located in England, and neither Scotland nor Northern Ireland enjoys the same infrastructural support systems as England does. To that end, we believe that pilots should be implemented here. That concludes my evidence.

The Chairperson

A couple of Committee members have indicated that they wish to raise a couple of points with you.

Mr Brady:

Thank you for your presentation. You raised the issue of primary school classes. If parents, particularly lone parents, have three young children, for example, who all finish school at different times, those parents will face definite problems and difficulties unless they can structure their work around that.

A building in which I used to work in Newry was an old linen mill that became a clothing factory in the 1950s. It is the only factory that I am aware of, before or since, that had a crèche attached to it. It enabled the mainly female workforce to continue to work while their kids were looked after, collected from school, and so on. That practice was progressive 50-odd years ago, but it did not continue.

Community care grants have been mentioned as a means of creating competition. However, when that system was tried in the 1980s, it created monopolies and stigmatised people. It is a non-runner as far as I am concerned.

Many years ago, people who had allegedly committed fraud and had their benefit stopped could appeal. However, people realised that an appeal, whether successful or not, could prejudice the subsequent court case. It could be logically argued that, if people are sanctioned for violent behaviour before they go to court, their legal cases will be prejudiced. That situation validates the argument that due process should be a completely separate issue. That has not been factored into

the legislation.

You spoke about lone parents and child poverty. Save the Children conducted a survey in my constituency three years ago that found that 37% of children in Newry and Armagh were living below the poverty line and that 15% or 20% were living in severe poverty. That is another issue that we must think long and hard about before the legislation is implemented.

Ms Lo:

I attended a seminar on the proposed legislation in the Stormont Hotel with many of lone parents; I think that you were there, too, Marie. There was so much anxiety among lone parents, and I could see that they were already experiencing stress in anticipation of the legislation. If the legislation is applied exactly as it is proposed, it will cause a great deal of hardship for lone parents and families, and that worry will obviously extend to the children concerned.

Needless to say, I share many of your concerns. The 13-week exemption period for victims of domestic violence is so arbitrary. Who set that timescale? Some parents may be able to go back to work two weeks after an incident of domestic violence, but others will need six months. Someone who has a physical or mental injury will need longer than 13 weeks.

Ms Cavanagh:

That is our argument, Anna. We believe that either the period should be designated as longer or it should be open-ended. Some people will be able to return to work within 13 weeks, but my difficulty with the legislation is how that timescale will be interpreted in law. After 13 weeks, people will have to return to work or face work-focused interviews, and all the rest of it. That does not take account of individuals' capacity to deal with the circumstances that they have been faced with.

Extending the period to perhaps 26 weeks, or even indefinitely, is a better option. That would give people the option of approaching the Department at whatever stage and say that they are ready to return to work but not force them to do so after 13 weeks. The people who will implement the legislation are not trained to deal with the disclosure issues that are likely to come out at that stage, and that fact also needs to be looked at.

Ms Lo:

I presume that a sick line would help to extend that.

Ms Cavanagh:

We assume that something will be put I place to allow for it. However, it is again at the discretion of individuals, who, although they conduct their work admirably, are not necessarily equipped to deal with issues such as domestic violence, mental health problems or physical injuries.

Ms Lo:

Children who witness domestic violence need a lot longer time if there is one parent at home, in order to provide that security. In the event of a horrendous incident, it is not just the woman — the parent — who needs that security. The children do also, and 13 weeks is too short.

Ms Cavanagh:

Again, the emphasis is on the individual, as in the parent. We have argued all along that legislation that simply impacts on parents cannot be countenanced. The situation must be regarded as one that affects the whole family.

The Chairperson:

If clarification is required, Anna, we can pursue that with the Department. We can also ask for "domestic violence" to be defined. Does it mean just physical violence? Does it include the threat of violence?

Ms Lo:

How is it measured?

Ms Cavanagh:

Domestic violence is not necessarily just physical violence. It depends on the interpretation that accompanies it.

Mr Brady:

The psychological and long-term effect is an issue.

The Chairperson:

We will seek clarity on those matters.

Mrs M Bradley:

Even a doctor will say that that is the case, because sufferers are ready only when they know that they are ready to return. No one else knows whether they are ready to go back. I know of a professional person who held down an important job and thought that she could go back to work. Her return lasted a week and a half or two weeks. She came out again and has never been able to go back to work. Serious issues are involved that require a great deal of consideration. Even medical people will say that they cannot adjudicate on that.

The Chairperson:

Marie, thank you for the comprehensive run-through of your evidence.

Ms Cavanagh:

Thank you.