**Equality impact assessment on Department for Communities draft budget**

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This submission focuses on the social security elements of the Department’s proposed allocation. The authors collectively have expertise in social security law and policy, equality and human rights law and lived experiences of poverty and social security receipt. Since early 2019 we have worked with UC:Us, a group of universal credit claimants in Northern Ireland, to capture experiences of life on universal credit and to develop and pursue the implementation of proposals for improvement of the benefit system.[[1]](#footnote-1)

Changes to social security, particularly to low-income benefits, inevitably have a disproportionate impact on certain groups with protected characteristics under s75 of the Northern Ireland Act 1998. Being female, living in a predominantly Catholic area, being disabled or coming from a minority ethnic background are all associated with greater exposure to economic deprivation, and therefore to make it more likely that individuals and families are in receipt of low-income or disability benefits. Particular reforms in the Welfare Reform (NI) Order 2015 and Welfare Reform and Work (NI) Order 2016 disproportionately affect claimants depending on whether they have dependent children; the impact of those that mainly affect claimants with (greater numbers of) children tends to fall most heavily on lone parents, and therefore on women, although it is also the case that at UK level certain racial or religious groups are more likely to have larger families. Northern Ireland’s ongoing programme of welfare reform ‘mitigations’ has lessened, and has potential to further reduce, negative effects on some of these groups. The extent to which it can do so depends to a large extent on the available funds.

The inclusion in the proposed allocation of £42.8 million for the continuation of existing mitigations is, of course, welcome. Based on the Minister for Communities’ statement to the Assembly on 16 February,[[2]](#footnote-2) we presume this will be primarily directed to the continued mitigation of the social sector size criteria and household benefit cap. The amount allocated exceeds by a significant margin the annual cost of £25 million that Reed and Portes (for NIHRC) estimate would be necessary for the continuation of these two supplementary payments.[[3]](#footnote-3) Part of the additional cost is undoubtedly accounted for by the coronavirus pandemic, which has resulted in an increased claimant count, reduced income for some in-work claimants and (because of the increases to the universal credit standard allowance and the local housing allowance) some claimants having entitlements further in excess of the benefit cap than previously. However, we presume that part of the additional money is to enable the realisation of the Minister’s ambition to extend the supplementary payment to capped or under-occupying claimants who do not currently benefit, which is an extremely positive development.

Since Northern Ireland’s high levels of under-occupancy are driven by a shortage of smaller social housing units, the social sector size criteria primarily affects smaller households and will disproportionately affect people without dependants. Ensuring that all under-occupying social tenants in receipt of universal credit or housing benefit receive the supplementary payment will clearly promote equality of opportunity between people without dependants and those with.

The reverse applies to the benefit cap, which primarily affects larger families, especially in Northern Ireland where housing costs are less of a factor in driving high benefit entitlements than in parts of Great Britain. Ensuring that all capped claimants can receive the supplementary payment will therefore prevent claimants with (larger numbers of) dependants experience disadvantage compared to those without or with fewer dependants, will likely reduce the disadvantage female claimants experience compared to males and may contribute to greater equality between claimants from different racial or religious groups. The Social Security Advisory Committee – the independent statutory body that advises DWP and the Department for Communities – has identified that the benefit cap affects the risk of homelessness, a problem which is more expensive to resolve than to prevent.[[4]](#footnote-4)

Other aspects of the allocation can be expected to have a negative effect on groups with protected characteristics, or will mean opportunities to better promote equality of opportunity on behalf of these groups are missed.

The two-child limit on support under universal credit and child tax credits has been described by Professor Jonathan Bradshaw, one of the UK’s leading experts on social security and poverty, as “the worst social security policy ever.”[[5]](#footnote-5) Similar to the benefit cap, its impact falls exclusively upon larger families, and disproportionately upon lone parents and therefore women; certain racial or religious groups may also be more exposed. The Northern Ireland Select Committee Report on Welfare Reform in Northern Ireland outlined the families in Northern Ireland are likely to be disproportionately affected by the two-child limit: 21.4% of families in Northern Ireland have three or more children, compared to 14.7% of families in the UK as a whole.[[6]](#footnote-6) Furthermore, the issue of access to abortion still remains complex in Northern Ireland. Although the law has now been liberalised, there has been no progress on commissioning services here, meaning that women are still required to travel to the UK to access services.[[7]](#footnote-7) Inability to introduce a new supplementary payment to offset the two-child limit means these groups will continue to suffer the disadvantage introduced by the 2016 Order.

Inability to extend the additional funding to the advice sector or to recruit additional social security staff at a time when claimant counts have risen and managed migration to universal credit is looming will have negative effects on new applicants’ ability to access benefits smoothly and promptly, and will likely have some impact on continuing claimants. There will therefore be an impact on the various groups that are more likely to receive benefits. Any increase to the processing time for new claims will hit particularly hard; our research shows that the waiting period for a first universal credit payment can result in debt and hardship that persists for a long period.[[8]](#footnote-8) Expediting payments was recognised by the Social Security Advisory Committee as one of the most significant achievements during the huge COVID-19 related increase in Universal Credit claims, and it would be a retrograde step to reduce the ability of the Department for Communities to support claimants in this way.[[9]](#footnote-9)

Inability to allocate more funds to employment support in line with the increased claimant count may also have an effect on the speed of unemployed claimants’ return to the paid labour market. The delayed launch of the schemes mentioned at para 6.13 will clearly have disproportionate effects on young people, people with dependants and women. The latest unemployment figures published by NISRA suggest that of the 35,000 people less people who are employed this year, that 26,000 are in the 16-24 category.[[10]](#footnote-10)

It is less clear that failure to change the special rules for terminal illness will disadvantage individuals with characteristics protected by s75, although those disadvantaged by the current rules can be described as a subset of the disabled population. However, in Lorraine Cox’s successful judicial review the High Court held that the current rules *do* unlawfully discriminate against people with a terminal illness whose death is not expected within six months, which the High Court accepted as an “other status” protected under article 14 of the European Convention on Human Rights.[[11]](#footnote-11) This unlawful discrimination will continue until the rules are changed. We note that the Department for Work and Pensions has stated it regrets the delays in bringing the implementing legislation forward for this change to GB legislation and hopes to set out the timetable to start bringing forward the changes in the coming months.[[12]](#footnote-12)

We recognise that the Department has a relatively small pool of discretionary spending and would find it extremely difficult to pursue the intended measures identified in the consultation document in the absence of an increased allocation.

The NI Executive has led the way in providing mitigations under devolution through supplementary payments that have protected against the harshest effects of welfare reform. Our argument focuses on the potential and predicted outcomes of a budget allocation that could not sustain such protections in the face of greater need. Our research, and that of others, indicates that this would increase inequality and entrench poverty by limiting the ability of the Department for Communities to provide adequate social security provision which will inevitably result in higher costs for other policy areas.[[13]](#footnote-13)

1. <https://www.jrf.org.uk/report/universal-credit-could-be-lifeline-northern-ireland-it-must-be-designed-people-who-use-it> [↑](#footnote-ref-1)
2. <http://aims.niassembly.gov.uk/officialreport/report.aspx?&eveDate=2021/02/16&docID=326045> [↑](#footnote-ref-2)
3. <https://www.nihrc.org/uploads/publications/Final_CIA_report_Oct_2019.pdf> [↑](#footnote-ref-3)
4. <https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/935735/a-review-of-the-covid-19-temporary-measures-occasional-paper-24.pdf> [↑](#footnote-ref-4)
5. <http://www.social-policy.org.uk/50-for-50/two-child-policy/> [↑](#footnote-ref-5)
6. <https://publications.parliament.uk/pa/cm201719/cmselect/cmniaf/2100/210004.htm#_idTextAnchor010> [↑](#footnote-ref-6)
7. NIHRC has launched legal action in response to Northern Ireland Executive’s failure to commission services: <https://www.theguardian.com/world/2021/jan/10/uk-ministers-face-legal-action-over-lack-abortion-services-northern-ireland> [↑](#footnote-ref-7)
8. <https://www.jrf.org.uk/report/universal-credit-could-be-lifeline-northern-ireland-it-must-be-designed-people-who-use-it> [↑](#footnote-ref-8)
9. <https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/935735/a-review-of-the-covid-19-temporary-measures-occasional-paper-24.pdf> [↑](#footnote-ref-9)
10. <https://www.nisra.gov.uk/statistics/labour-market-and-social-welfare/labour-force-survey> [↑](#footnote-ref-10)
11. <https://www.judiciaryni.uk/sites/judiciary/files/decisions/Cox's%20(Lorraine)%20Application.pdf> [↑](#footnote-ref-11)
12. <https://hansard.parliament.uk/commons/2021-02-22/debates/2EB8549D-8CD3-40E9-9D81-05064B977BDF/TerminallyIllPeopleAccessToBenefits#main-content> [↑](#footnote-ref-12)
13. <https://www.jrf.org.uk/report/counting-cost-uk-poverty> [↑](#footnote-ref-13)