



A Child Rights Impact Assessment of the Impact of Welfare Reform on Children in Northern Ireland.

Goretti Horgan, Policy Unit ARK and Institute for Research in Social
Sciences, University of Ulster

Marina Monteith, Children and Youth Programme, UNESCO
Centre, University of Ulster

April 2012





Contents

A Chronology of Welfare Reforms.....	4
Executive Summary	7
1. Introduction	13
Children’s Rights Impact Assessment	15
Welfare reform – background.....	18
2. IFS Analysis of Impact of tax and benefit reforms in Northern Ireland.....	20
3. Housing Benefit	27
Conclusion and Recommendations.....	32
4. Changes in non-housing income for families with children	34
Changes in working tax credits	35
Conclusion and recommendations	42
5. Families claiming out-of-work benefits	43
Children in Northern Ireland Impacted by Benefit Cap.....	43
6. Changes to Benefits for disabled young people.....	45
Youth Employment and Support Allowance.....	45
Disability Living Allowance	47
Potential Impact of PIP on young disabled people.....	49
Conclusion and recommendations	50
7. Other welfare reform issues to be considered by the Assembly.....	52
Social Fund.....	52
Payment of Universal Credit	53
Conditionality, sanctions and the impact on children.....	55
Conclusion and recommendations	56
8. Conclusion	58



A Chronology of Welfare Reforms affecting families with children 2010 – 2017

October 2010

- Mortgage interest rate support cut to that of Bank of England base rate, about half the actual interest charged by High Street banks.

January 2011

- Help with mortgages for those who have been on Income Based JSA for more than two years is removed.
- The non-means-tested Health in Pregnancy grant of £190 is abolished.

February 2011

- Transfer of Incapacity Benefit claimants to the Employment and Support Allowance (ESA) begins.

April 2011

- Increases in working age benefits are to depend on the Consumer Price Index (CPI) rather than the Retail Price Index (RPI). The RPI generally reflects rises in the cost of living better than does the CPI, so this change will see benefits fall further and further behind the real cost of living year on year.
- The income threshold for loss of the family element of child tax credit – which is payable to all families with children whether in paid work or not is reduced from £50,000 to £40,000 (gross). Within child tax credit, the set amount for families in the calculation of entitlement, known as the family element, had been available to all with gross incomes under £50,000.
- The disregard for in-year increases in income for tax credit purposes was reduced from £25,000 to £10,000 and will be further reduced in April 2013 to £5,000.



- Working tax credit, a means-tested wage supplement for persons on low wages, sees a three year freeze in how its basic and 30 hour elements are calculated.
- The tax credit taper for withdrawal rates goes from 39% to 41% (which means families lose income faster).
- Baby element removed from child tax credit.
- Help with childcare costs within working tax credit is reduced from 80% to 70% of actual costs.
- Child benefit is frozen for three years.
- The Sure Start maternity grant, a one off lump sum payment of £500 paid to low income families, is removed for second and subsequent children.
- Non-dependent deductions (NDD's) for housing benefit are increased.

October 2011.

- Lone parents with youngest child aged 5 or over who are new claimants are excluded from income support and must claim JSA.

January 2012

- Local Housing Allowances (LHA's) reduced to cover only rents in the bottom 30% of local rents.
- Housing benefit restricted to shared room rate for under 35s.

April 2012

- Tax credits – couples with children are required to work at least 24 hours a week between them, with one working at least 16 hours a week
- Backdating of tax credits cut from 3 months to 1 month
- £2,500 disregard for in-year falls in income introduced, which is the equivalent of refusing to refund overpaid tax to the poorest families



- Family element to be withdrawn immediately after the child element for CTC; this means that middle-income families will lose entitlement to CTC more quickly.

From April 2013 (dependent on NI Assembly decisions)

- Contributory ESA: entitlement to be cut to one year for those in the work-related activity group
- End of 'youth' ESA
- Housing benefit to be cut for working age claimants in social housing which is considered 'under-occupied'.
- Overall cap (£500/£350 for single people) to total benefits payable to those of working age not in employment 2013
- DLA replaced by PIP for working age claimants.
- Tapered withdrawal of child benefit where one household member earns more than £45,000.
- Local housing allowance linked to CPI, rather than local rents.
- Abolition of Social Fund: Budgeting Loans to become advances on Universal Credit while replacement for Community Care Grants (CCG's) and Crisis Loans will become responsibility of devolved governments

Transition to Universal Credit 2013-17

Universal credit to replace income-based benefits and tax credits for all working age adults, includes:

- Abolition of minimum hours of work rules
- Single withdrawal rate of 65 per cent
- Childcare support available for any hours worked
- Additional amount payable so "no-one will be worse off"



Executive Summary

Introduction

The Welfare Reform Bill 2012 contains a radical package of reform. The Bill introduces to Northern Ireland a new integrated system of benefits, Universal Credit (UC), as well as a range of important changes to the welfare system. Few will disagree with the Westminster government's stated objectives for the Bill – to simplify the benefits system and to make work pay – but it is important to ensure that in achieving this, the rights of children and young people are maintained. This Child Rights Impact Assessment examines the effect that welfare reforms introduced since 2010 has had on children's right to a decent standard of living and the potential effects of proposed changes within the Welfare Reform Bill 2012.

Although social security matters are devolved to the Northern Ireland Assembly, the ability of the Executive to determine its own approach to welfare provision is severely constrained by the 'parity principle'. Nonetheless, all parties in the Assembly have supported moves to "stretch parity" where possible in order to protect the living standards of families in Northern Ireland.

Northern Ireland is the UK region with the highest percentage of households with children (34%), compared to a UK average of 28%. As well as having more families with children, the region also has more children within families and a higher proportion of larger families (with four or more children).

This Children's Rights Impact Assessment (CRIA) examines the full range of welfare reforms that impact on children and young people and their rights, with the UN Convention on the Rights of the Child (UNCRC) as the starting point. The impact of the welfare reform legislation needs to be considered with regard to a range of articles of the UNCRC; the most relevant articles for this CRIA are articles 2, 3, 4, 6, 12, 16, 19, 23, 24, 26, 27 and 28. It is important to note that there is no hierarchy of rights and all are inter-dependent, so any reduction (or increase) in income will affect the achievement of a wide range of rights for children.



The incomes of families with children in Northern Ireland have already been badly affected by welfare reforms introduced since 2010, with consequent lowering of living standards for those in the bottom half of society. Those families face a further drop in living standards over the coming three years and the Assembly needs to move to protect families with children in any way it can.

Overall Impact of Welfare Reform on Northern Ireland's Children

The Institute for Fiscal Studies has shown that families with children are being hardest hit by welfare reform across the UK. But it estimates that Northern Ireland, because it has a relatively large proportion of households with children and higher levels of disability, will lose more income than any other region of the UK outside London. Households with children will lose 2-3% more of their incomes than will childless households. Families at the bottom of the income distribution will lose most.

There are a range of reasons why all households towards the bottom of the income distribution will lose out: benefit rates will progressively become lower and lower as a result of using the Consumer Price Index (CPI) to uprate them rather than the Retail Price Index (RPI). For families with children, the combination of the cash freeze to Child Benefit and Working Tax Credit, with the withdrawal of the family element of Child Tax Credit beginning at lower income levels than before *and* an increase in the weekly working hour's requirement in Working Tax Credit from 16 to 24 for couples with children will hit them hard.

Impact of changes to Housing Benefit on children's rights

Over the last two years, there have been a range of changes to how Housing Benefit (HB) is paid that threatens the stability of families with children, particularly owner-occupiers who have lost their jobs in the recession and families in the private rented sector.

The changes in Housing Benefit, which have already been introduced, threaten a child's right under Article 27 to a standard of living which is good enough to



meet their mental and physical needs. Many families with children will lose their owner-occupied homes; others will fall into growing arrears until evicted by private sector landlords, while other families will ration food or buy less healthy food in order to pay rent shortfalls.

As a matter of urgency, the DSD needs to work with mortgage lenders to explore ways in which families with children can remain in homes that are being repossessed. Given the state of the housing market, it makes little sense to evict families from such homes; as well as breaching children's rights, it results only in another vacant home and homeless family.

The DSD and NI Housing Executive must provide information on how many homes there are in the thirtieth percentile of rents in each BRMA, to allow an objective assessment of whether it is possible for families to move to cheaper properties while maintaining family support networks and not having to move schools. Until there is evidence that such properties are available, households with children must be exempted from the move calculating LHA on 30th percentile.

The DSD must work with mortgage lenders and with landlords to bring down rents and to ensure that families do not have to spend on rent money which is supposed to provide food, heat and other necessities for healthy and happy children.

Housing Executive accommodation that is deemed to be under-occupied, but has children in it must be exempted from reductions in Housing Benefit.

The Assembly needs to make a clear decision about how older children are dealt with in the calculation of under-occupancy.

The Assembly should exempt non-resident parents from the shared room requirement in relation to Housing Benefit.



Changes to Tax Credits

The changes to working and child tax credits have already hit low and middle-income families, lowered income levels and consequently driven down living standards. The Assembly does not have power over tax matters, which are not devolved. However, working and child tax credits will be phased out with the introduction of Universal Credit and the Assembly will have the power to protect families with children, particularly those with a disabled member, in deciding how it will implement Universal Credit.

In particular, it can explore ways to take into account of the particular nature of much self-employment in Northern Ireland and it can ensure that the criteria under which the disability elements of Universal Credit are triggered do not disadvantage children.

Changes to Disability Benefits

This report indicates that the rights of disabled children and young people are particularly threatened by the abolition of 'youth' ESA and by the introduction of PIP. Further, the rights of children with a disabled or ill parent, especially one whose parent(s) suffers from mental ill-health are also under threat. The Assembly has the power to protect the rights of these children and young people (Articles 2, 3, 6, 23, 24, 26, 27 and 28). The numbers who receive 'youth' ESA are small enough to cost relatively little in breaking parity to maintain their rights.

The Assembly should set up an expert group to examine the Work Capability Assessments (WCA) being carried out to move claimants from IB to ESA and the new assessments which will be introduced as DLA is abolished and PIPs introduced. The expert group should include psychiatrists who work with people who have PTSD, as well as paediatricians and other experts in disability, both childhood and adult. This expert group could develop a WCA and PIP assessment that takes into account the particular issues of a region emerging from conflict where our high levels of mental ill-health are severely exacerbated by PTSD.



Introduction of Universal Credit

Benefit changes and the introduction of Universal Credit (UC) will also impact on children's rights in Northern Ireland. For example, families with three or more children where there is a severely disabled child are at risk of being affected by the benefit cap while families with five or more children will be hit by it whether or not there is a disabled child. Thus, we can predict with confidence that at least 6,500 children in Northern Ireland will see their families lose because of the benefit cap.

Given that Northern Ireland prides itself on having strong family values, the Assembly will have to consider whether it thinks that those on benefits should be forced to limit their family size or whether there are ways of helping such families to meet the needs of their children outside of UC.

In deciding how to replace the Social Fund after its abolition, the Assembly must ensure that enough money is allocated to meet the basic material needs of families with children and that this money, however it is to be administered, is ring-fenced.

There are real dangers for children's rights in the proposal the UC should be a single monthly payment to one member of the household. The Assembly needs to examine how this can be circumvented and, in particular, to consult with groups of people bringing up children on low incomes for ideas on how this might be done. It also needs to put in place emergency systems in case the IT system fails. It should also consult the other devolved governments on this issue.

The introduction of Universal Credit brings with it far tighter conditionality for benefit claimants and a new range of sanctions that may be applied – for example, failure to take up a job offer can result in withdrawal of benefit for three months, six months or three years. For parent of children who have particular needs, including the parents of teenagers who are at risk of becoming involved in the criminal justice system, it may seem impossible for them to take up a job offer *and* provide their child with the care and supervision s/he needs. While lone parents with a dependent child under 16 need to be available for work at least 16 hours a week and those with a child under 13 can limit their search to work within school hours, many of those with



teenage children feel they need to be able to supervise those teenagers outside of school hours.

The Assembly can ensure that UC regulations around conditionality and sanctions take into account Northern Ireland's high levels of mental ill-health and its lack of accessible and affordable childcare and that the special rules currently applying to lone parents continue under UC. It can also ensure that parents bringing up teenage children in areas of multiple disadvantage can be allowed to give their children the care and supervision that parents living in better-off areas may not have to, or that better-off parents can buy through out-of-school activities.

Even where there is evidence that a parent could take paid employment but fails to, the evidence that children suffer even more deprivation as a result of overall household income falling indicates that the Assembly must ensure that children do not suffer as a result of such sanctions – while that means removing the sanction of benefit withdrawal from all claimants with dependent children, the amount that this breach with parity would cost would be relatively small as there is no evidence that there would be more than a handful of such cases.



1. Introduction

The Welfare Reform Bill 2012, on which the Department of Social Development consulted at the end of 2011 contains a radical package of reform. The Bill introduces to Northern Ireland a new integrated system of benefits, Universal Credit (UC), as well as a range of important changes to the welfare system. While few will disagree with the Westminster government's stated objectives for the Bill – to simplify the benefits system and to make work pay – this report provides evidence of potentially detrimental impact of some of the changes on the rights of children in Northern Ireland.

Although social security matters are devolved to the Northern Ireland Assembly, the ability of the Executive to determine its own approach to welfare provision is severely constrained by the 'parity principle'. Nonetheless, under the last Minister, the DSD had attempted to take some of the particular circumstances of Northern Ireland and differences from the rest of the UK into account in drafting legislation and regulations to bring Northern Ireland into line with Westminster's 2009 Welfare Reform Act. The Minister did not seek "accelerated passage" for the Bill, as his predecessor had for the legislation bringing the region into line with the 2006 Westminster Welfare Reform Act. Instead, the Bill was the subject of much debate and attempts to stretch and circumvent parity. As a result, recognising the scarcity and expense of childcare in the region, a clause was included in the Jobseeker's Allowance (Lone Parents) (Availability for Work) Regulations (Northern Ireland) 2010 to provide that "In preparing a jobseeker's agreement for a claimant, the officer must have regard (so far as practicable) to its impact on the well-being of any child who may be affected by it". At the time, the DUP supported moves to "stretch parity", so the current DSD Minister has every precedent to take a similar critical approach to legislation paralleling the 2012 Welfare Reform Act when presented with clear evidence that this is desirable in order to protect families, both working and workless, in Northern Ireland from a serious fall in living standards.

Northern Ireland is the UK region with the highest percentage of households with children (34%), with the next highest regions being Outer London and



West Midlands (32%). The UK average is 28% (Family Resource Survey 2007-2008). As well as having more families with children, the region also has more children within families, an average of 2.4 children per family compared to an average 1.8 in GB.

There are other ways in which NI is different to GB. Around 23% of working age people in NI claim a key benefit¹, compared to 13% in GB; the next nearest region in terms of the proportion of the population claiming a key benefit is Wales, where 19% of working age people claim a key benefit.

Perhaps as a result of this high level of worklessness and increasing private sector rents, relative child poverty in Northern Ireland has risen by 3% in recent years, while it has fallen in other parts of the UK. For the first time, After Housing Costs (AHC) poverty in Northern Ireland is higher than the UK average. In the past, our then low housing costs meant that our AHC child poverty was much lower than that Before Housing Costs (BHC).

This Child Rights Impact Assessment was commissioned by the NI Commissioner for Children and Young People (NICCY) to provide an evidence base on which legislators in the NI Assembly can base discussions about the impact of the proposals in the Welfare Reform Bill on families with children in the region.

¹ Key benefits for persons of working age and their children are defined as:

- Jobseeker's Allowance (JSA)
- Incapacity Benefit (IB)
- Severe Disablement Allowance (SDA)
- Disability Living Allowance (DLA)
- Income Support (IS)
- State Pension Credit (SPC) (males 60-64)

From 27 October 2008, Employment and Support Allowance (ESA) replaced Incapacity Benefit and Income Support (IS) on the grounds of disability for new claims. For now, ESA is not included as a key benefit, but as claimants are moved from IB to ESA, it is expected to be included as a key benefit.



Children's Rights Impact Assessment

A Children's Rights Impact Assessment is a tool for looking at policy, law or a decision and assessing its effect on children and young people and their rights (Paton and Munro, 2006). Use of this type of analysis allows prediction of the likely impact of policies, monitoring of the impact of existing policies, and, if necessary, the consideration of mitigating action or revision of law, policy or decisions which might have an adverse impact on children. The full benefit of impact assessments can be realised when carried out by those formulating legislation or policy or making policy decisions. Children's rights should be considered at an early stage, ensuring they are embedded in policy development and the Children's Rights Impact Assessment provides a tool to assist policy makers do this. The UNCRC should be the starting point for any assessment of a law, policy or decision for its impact on children's rights. General Comment No 5 (2003) from the Committee on Children's Rights stated that:

"Ensuring that the best interests of the child are a primary consideration in all actions concerning children (art. 3(1)), and that all the provisions of the Convention are respected in legislation and policy development and delivery at all levels of government demands a continuous process of child impact assessment (predicting the impact of any proposed law, policy or budgetary allocation which affects children and the enjoyment of their rights) and child impact evaluation (evaluating the actual impact of implementation). This process needs to be built into government at all levels and as early as possible in the development of policy."²

The UN Committee on the Rights of the Child has consistently called upon governments to carry out child rights impact assessment to help fulfill their obligations to children under the Convention. Such an analysis could help to translate the UNCRC into routine government action by using structured analysis to highlight potential impacts on children as an integral part of law and policy making. This process helps to ensure the best interests of children

² General Comment No. 5, General measures of implementation of the Convention on the Rights of the Child (arts. 4, 42 and 44, para. 6) CRC/GC/2003/5 at para 45



are considered, and seen to be considered. The UNCRC can be used as a benchmark for the impact of policy and/or legislation on children, supported by evidence from what is stated in national legislation, research, studies of children's needs and interests, an understanding of the child/children's own network/family and last but not least, the child's own views and opinions. Save the Children Wales (2006), Hodgkin (1998), Sylwander (2001) and Munro & Paton (2006) indicate a number of components of a child impact assessment:

1. Gathering of evidence, identifying whether children are directly or indirectly affected by the policy/decision, providing analysis of the numbers and characteristics of those affected (disaggregated to explore impact on different groups of children) and consider how they could potentially be affected (directly or indirectly).
2. An analysis of how the measure promotes or impedes achievement of children's rights as set out in the articles of the UNCRC;
3. Identification of problems/gaps in information/expertise/conflicts of interest that the proposal may entail;
4. Children and young people's views/consultation with key stakeholders on the measure/proposal;
5. Proposed steps to ameliorate any adverse effects;
6. Reporting to inform the public about the assessment and maintain contact with interest groups, and
7. Monitoring the actual impacts of the policy/decision when implemented.

This report presents the results of consideration of the available evidence, an analysis of the measures identified in the proposed Welfare Reform legislation and how it relates to the articles of the UNCRC, and identifies problems and gaps in information. It considers where there are adverse impacts and where mitigating action or revision of policy is required to comply with UNCRC.

In assessing the impact of the Welfare Reform Bill on children in Northern Ireland, we do so with regard to their rights as set out in the United Nations



Convention on the Rights of the Child (UNCRC). The key rights relevant to the Bill are:

- Article 2: The right to enjoy all human rights, without discrimination
- Article 3: That the best interests of the child must be a primary consideration
- Article 4: State parties shall take all appropriate measures to implement children's economic, social and cultural rights to the maximum extent of their available resources
- Article 6: The right to life and to development 'to the maximum extent possible'
- Article 12: The right for children to participate and express their views
- Article 16: The right to private and family life
- Article 19: The right to protection from child maltreatment
- Article 23: The right for disabled children to enjoy a 'full and decent life', and their right to 'special care' and assistance
- Article 24: The right to enjoy 'the highest attainable standard of health'
- Article 26: The right to benefit from social security
- Article 27: The right to a standard of living adequate for the child's development
- Article 28: The right to education.

The impact of the welfare reform legislation needs to be considered with regard to all these rights as any reduction (or increase) in income will affect the achievement of a wide range of rights for children. Poverty research (Horgan and Monteith, 2009) has documented the impact of low income on children's education, health, development, and well-being and therefore it is important to consider not only the impact of the welfare reform on family income and the



standard of living they can achieve but also any adverse or positive impacts on other rights such as education, health, protection, development and rights to special care and assistance and to benefit from social security. In addition, Article 4 requires State Parties to take all appropriate legislative, administrative and other measures to implement children's economic, social and cultural rights to the maximum extent of their available resources.

Welfare reform – background

The Welfare Reform announcements which formed part of the Coalition Government's June 2010 Budget and Spending Review in October 2010 have been "widely described as the most radical shake-up of the benefits system since the foundation of the welfare state" (NIA, 2011). That shake-up had begun under the previous New Labour government when, inspired by US President Bill Clinton's promise 'to end welfare as we know it', the Blair government started to move all benefit claimants into paid work arguing that the welfare state should provide "work for those who can, support for those who cannot". For the last 15 years, then, those not in paid work have come to be seen as "inactive", even when they are the parent(s) of young children or the carers of older or disabled people. As part of this change to the benefit system, there has been an increase in levels of conditionality – the idea that one has to be seen to be actively seeking work and to take measures to make oneself more employable, attend work-focused interviews etc or risk having one's benefits "sanctioned" i.e. cut or removed.

However, as pointed out by the Child Poverty Action Group (CPAG), what we are seeing now are "policies designed during a period of prosperity (a decade of low unemployment and record high employment)...being implemented in adverse economic conditions (a global recession and sharp rises in unemployment). This raises even more serious questions about the ability of 'work-first' welfare to work and contracting-out employment services to increase employment, to reduce the number of people claiming benefits, reduce child poverty and save money through greater efficiency" (CPAG, 2011).

The welfare reform measures that impact on children's rights and that are examined in this report began in Britain with changes introduced by the former



Labour government and implemented there in the Welfare Reform Act (2008) and in Northern Ireland by the 2010 Welfare Reform (NI) Act. In this paper, these are referred to “announced by previous government”. The Coalition government, in its June 2010 Budget announced a range of further measures, aimed at reducing the budget deficit. These included a three year freeze on Child Benefit from 2011/12, the abolition of the Health in Pregnancy grant and limiting of the Sure Start maternity grant to the first child only, as well as major changes to how Tax Credits and Housing Benefit would be calculated – all of which have a serious detrimental impact on families with children. The October 2010 Spending Review saw the announcement of “the biggest single set of spending cuts since at least the Second World War - £81 billion of them” (SPA, 2011). Of this, £18 billion is to be found from cuts in welfare spending by 2014-15. The largest single saving came from the decision to link increases in benefits and tax credits with the Consumer Prices Index (CPI) rather than the Retail Price Index (RPI). The CPI has historically given a lower measure of inflation than either the RPI, so this change is effectively an across-the-board cut to all benefits received by working-age adults (pensions will be increased in line with earnings rather than prices). The Institute for Fiscal Studies estimates this change will save the Treasury £5.8 billion a year by 2014–15, a figure that will increase each year as the savings compound (SPA, 2011).

See Appendix 1 for a chronology of the changes as they apply to Northern Ireland and see the NI Assembly Research and Library Service Briefing Paper 13/11, *An Introduction to Welfare Reform*, January 2011, NIAR 606-10 for detailed explanations of many of the changes described briefly below.

It has to be stressed that this report refers to a range of changes in welfare provision, most of which will have a detrimental impact on families with children and, consequently, on a range of children’s rights. But while each change will have an impact, taken together, the welfare reforms that have been introduced already together with those proposed under the Welfare Reform (NI) Bill 2012 will have a devastating effect on children’s lives, on their ability to be healthy, happy, enjoy a good education and have a standard of living adequate for their full development. These changes also mark the end of any serious attempt to tackle child poverty in the UK and to meet the targets of the Child Poverty Act 2010.



2. IFS Analysis of Impact of tax and benefit reforms on general population in Northern Ireland

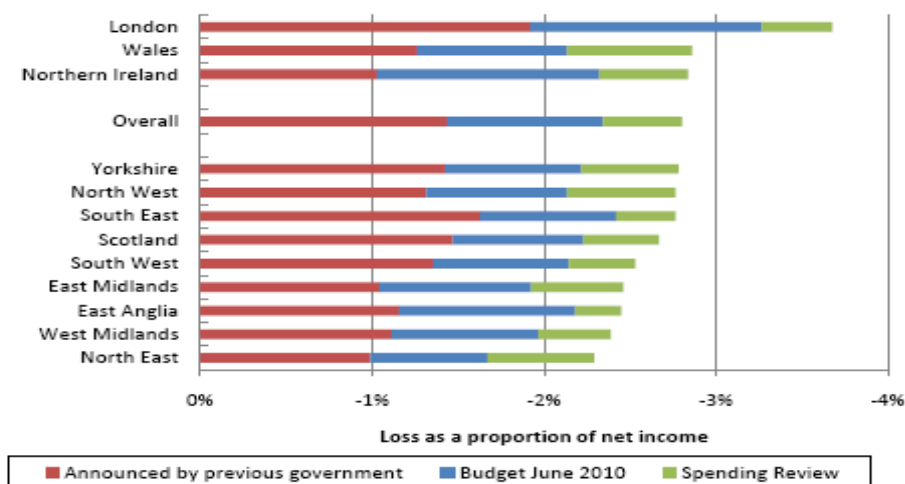
In order to understand the extent to which welfare reform is likely to impact on children's rights in Northern Ireland, it is worth briefly examining the analyses of the overall distributional effects of the range of changes on households in NI carried out by the Institute for Fiscal Studies (IFS). These analyses help to illuminate the extent to which children's rights under Articles 2, 3, 4, 6, 19, 23, 24, 26, 27 and 28 are all threatened by welfare reform. This overview is useful in helping us to understand that welfare reforms will impact on those in paid work as well as those living on benefits and that very few families with children that are not in the top third of society in NI will escape cuts in their income and living standards over the coming years.

The Institute for Fiscal Studies report for the law Centre NI (Browne, 2010b) examined how the average loss from the tax and benefit reforms in Northern Ireland is different to the UK average and at how the Northern Irish households in each quintile of the national income distribution are affected relative to their counterparts in the rest of the UK. It examined the distributional impact of tax and benefit reforms within each fifth, or quintile of the Northern Irish income distribution (i.e. dividing the NI population into five equally sized groups based on income, rather than dividing the whole UK population into five equally-sized groups). As can be seen in Figures 1 – 4 below, the modeling included those changes introduced by the former Labour government and implemented in the 2010 Welfare Reform (NI) Act; those changes introduced in the Budget of June 2010 and those proposed in 2011 following the Spending Review.

For two reasons, the IFS report does not explore the impact of the Universal Credit. First, because details of how Universal Credit would be implemented were not available in the course of the study, they could not model it. Secondly, it acknowledges that "social security is an area in which power is devolved to the Northern Ireland Assembly, meaning that Northern Ireland may choose not to adopt this new structure of benefits when it is introduced to the rest of the UK" (p.3), while acknowledging , the constraints of the "parity" principle.



Figure 1: The effect of all tax and benefit reforms to be introduced between 2010–11 and 2012–13 by region



Source: *Browne, J (2010b) page 4*

Figure 1 shows the **average** loss of net income to households in Northern Ireland. However, it is important to understand that this average loss hides a huge inequality in the way in which welfare reform will hit households in the region. In fact, households living on low incomes will be considerably harder hit in NI than in any other region of the UK, apart from London (see Figure 3, below). Ironically, it is because incomes in NI are generally lower than those in the rest of the UK that the average loss of net income to houses here is not much greater than in other regions of the UK.

As can be seen in Figure 1, net income in NI and the North East (NE) was least affected by tax changes introduced by the previous government because they have fewer richer households. But our poorest families have been badly hit by the June 2010 budget, almost as badly hit as London. These households are hardest hit by the shift from using the RPI and Rossi indices to uprate benefits to using the CPI.

Also, Northern Ireland has a relatively large proportion of households with children, which, previous IFS research has shown, are the working age group

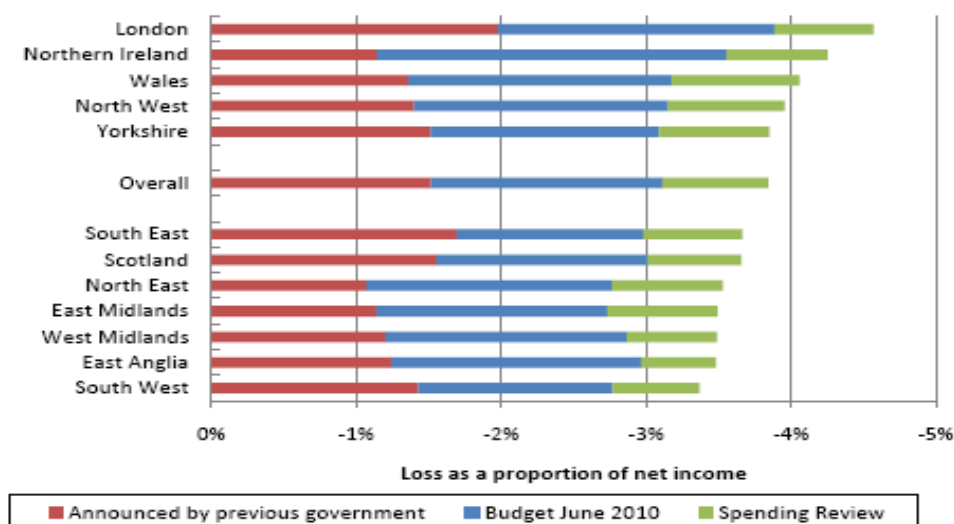


that loses most as a percentage of income from these changes across the income distribution – with both the poorest and richest quintiles losing a full 7% of income, compared to a loss of 5.5% for the poorest quintile without children and less than 4% for the richest quintile without children (Browne, 2010a).

The IFS analysis of reforms to be introduced after 2012–13 found Northern Ireland will have the second highest average loss as a percentage of income. As well as the losses mentioned above, Northern Ireland is expected to be particularly affected by plans to replace Disability Living Allowance (DLA) with the Personal Independence Allowance. NI has twice the proportion of individuals claiming DLA than the average for GB and a considerably higher proportion than the next highest regions of Wales and Scotland. The impact this change is likely to have on children in NI will be discussed below.

As can be seen from Figure 2, Northern Ireland overall will lose almost half a percent more income than the UK overall. Again, it is important to recognise that this is overall and that different groups, particularly families with children, are more impacted than the average, as will become clear below.

Figure 2: The effect of all tax and benefit reforms to be introduced between 2010–11 and 2014–15 by region

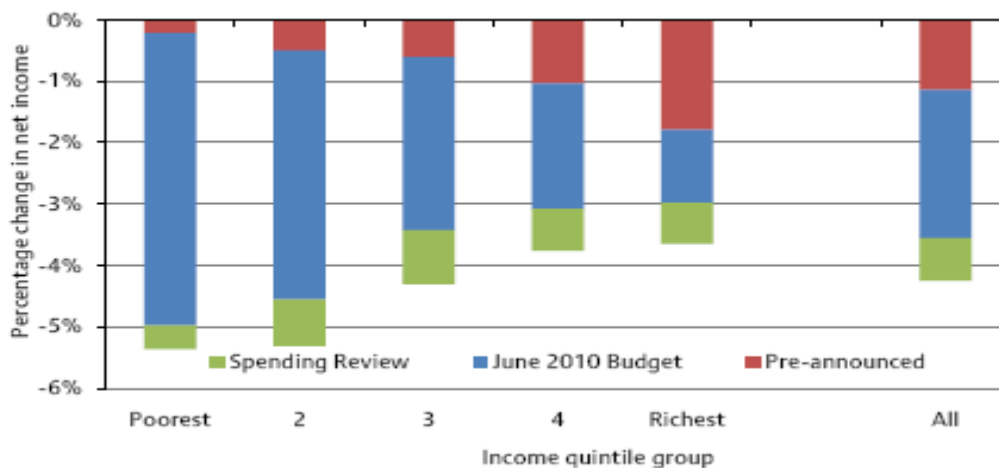


Source: Browne, J (2010b) page 4



Figure 3 below, from the IFS, shows that the lowest four quintiles in Northern Ireland lose more on average than the poorest 80% of households in the UK as a whole from all the tax and benefit reforms introduced between 2010–11 and those to be implemented 2014–15 (Browne, 2010b, p.12). As suggested above, this is mainly because Northern Ireland is harder hit by the introduction of the PIP and the reforms to tax credits. The latter is because Northern Ireland has a relatively high proportion of low-income families with children. In fact, because of high levels of both disability and mental ill-health in the working age population in NI, it is likely that many children will be doubly hit by these changes.

Figure 3: The effect of tax and benefit reforms to be introduced between 2010–11 and 2014–15 by Northern Irish household income quintile group



Source: Browne, J (2010b) page 12

However, the richest 20% of the population in Northern Ireland lose less as a proportion of their income than the richest 20% in the UK as a whole. This is because relatively few of the very richest households in the UK are in Northern Ireland and it is these households that lose the most overall both in cash and percentage terms. Further, Browne (2010b) points out that because there are fewer rich households in NI, the richest quintile in Northern Ireland contains



many households which would be in the fourth quintile of the UK income distribution. Households in the fourth quintile are relatively unaffected by cuts to benefits but benefit most from the increase in the income tax personal allowance, so losing the least on average from tax and benefit reforms.

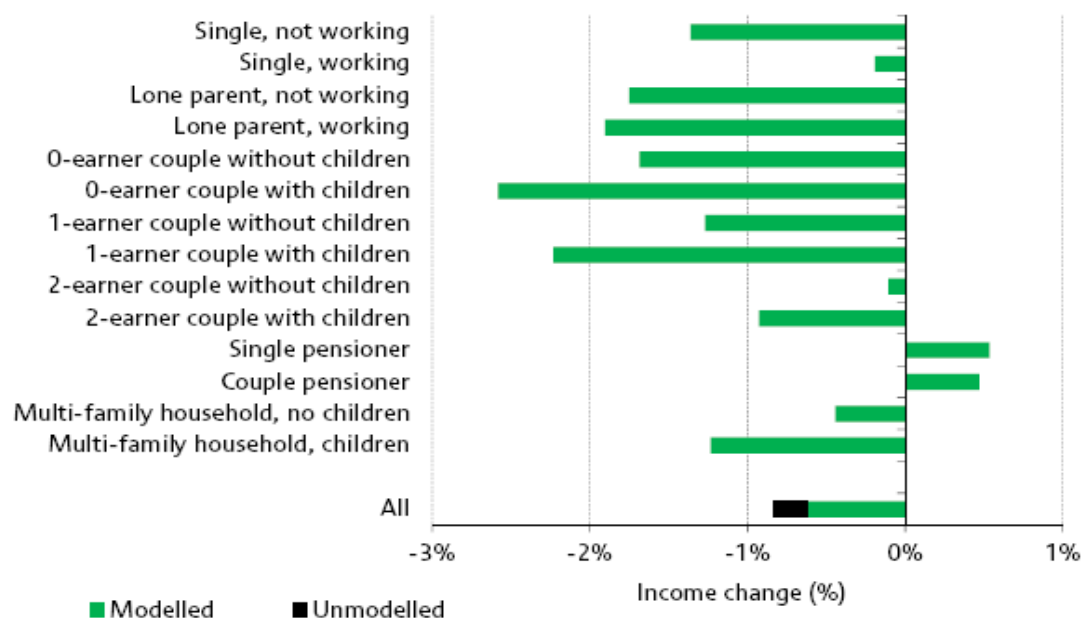
The most recent analysis from the Institute for Fiscal Studies analyses the impact of both the intended changes to tax and benefits to be introduced over the next year and the likely trends in employment and earnings (Joyce, 2012). It confirms that the largest average losses from the 2012–13 reforms as a percentage of income will be among those in the bottom half of the income distribution, with households with children set to lose the most from the proposed reforms.

There are a range of reasons why all households towards the bottom of the income distribution will lose out: benefit rates will progressively become lower and lower as a result of using the Consumer Price Index (CPI) to uprate them rather than the Retail Price Index (RPI) or the Rossi index; once contributory Employment and Support Allowance (ESA) is time-limited to one year for those in the Work-Related Activity Group (the majority of ESA recipients who are assessed to be less severely disabled), households with a worker or savings will lose ESA altogether; and the cash freezes to Child Benefit and Working Tax Credit will gradually reduce income.

But for working age households in the bottom half of the income distribution, it is families with children that lose most considerably. This is because the combination of the cash freeze to Child Benefit and Working Tax Credit, with the withdrawal of the family element of Child Tax Credit beginning at lower income levels than before *and* an increase in the weekly working hours requirement in Working Tax Credit from 16 to 24 for couples with children will hit such families hard.



Figure 4: Distributional impact of tax and benefit reforms to be introduced in 2012-13, by household type and work status³



Note: Assumes full take-up of means-tested benefits and tax credits.

Figure 4 shows, for households across the UK, which type of family will lose most under the tax and benefit reforms which are yet to be debated in the Assembly. Workless and single earner couples with children lose between 2 and 3% of their income, with working lone parents next worse affected. That working lone parents will be more affected than those not working is concerning since the point of welfare reform is supposed to be “making work pay”.

Further, there is now a disregard for within-year falls in income, which previously would have triggered increases in tax credit entitlements, as well as reductions in backdating of tax credit claims and a huge reduction in the disregard for within-year rises in income such that any family whose income increases substantially in the course of a year could face punitive repayment requirements for tax credits received before that rise in income.

³ The ‘unmodelled’ element here is the impact of Universal Credit



Having looked at the overall impact of welfare reform on families with children, we will now turn to look in detail at the individual changes which will have the greatest effect on children's rights in the region.



3. Housing Benefit

Under Article 27 of the UNCRC children have the right to a standard of living which is good enough to meet their mental and physical needs. This Article indicates that governments should help families and guardians who cannot afford to provide this, particularly with regard to housing, clothing and food. Article 26 indicates that children have a right to benefit from social security. Any changes to housing benefit which reduce household income and their ability to pay rent will reduce the overall income available to families to care for their children and impact on a wide range of rights (Articles 2, 3, 6, 12, 23, 24 and 28).

Housing Benefit was introduced in 1983 to try to simplify benefits which help towards meeting housing costs. Assessing rent allowable under HB has always been difficult and rarely matches what the rent actually costs but based on a range of "allowable costs". In 2008, Local Housing Allowance (LHA) was introduced to cover those tenants living in the private rented sector. It is difficult to get figures for the number of children who live in the private rented sector, but we know that one in six of all people in the region do. The 2009 House Condition Survey indicated that there were 124,500 private rented properties accounting for approx 17% of the total housing stock, with over half (60%) of tenants under the age of 40 – the age at which they are most likely to have young children. We also know that, while only 9% of small families and 5% of larger families live in private rented housing, over a third (37%) of lone parent households live in the private rented sector (McAnulty and Gray, 2009). Since lone parents are considerably more likely to live in the private rented sector and 35% of all children living in poverty in NI are in lone parent households, the changes to the amount of HB received by these families mean that there will be even less to spend on food, heat and other children's needs.

From the beginning, LHA has not been related to the rent paid but been based on a notional assessment what rent ought to be in a particular Broad Rental Market Area (BRMA). Because LHA was, from the start, based on median rents in each BRMA, tenants in the private rented sector whose rents were above the median became accustomed to having to top up the LHA they received with



money that is meant to be used for non-housing costs like food and heat. The amount they have had to find has risen year on year and the average amount paid by tenants in Northern Ireland to supplement LHA is now £20 a week (Gray and McAnulty, 2009).

In Northern Ireland, due to the higher proportion of our households that receive lower wages or rely on benefits, the proportion of tenants in both the social housing and the private rented sector receiving housing benefit is substantially higher than in England. For example, the newly released English Household Survey Headline Report 2010-11 (DCLG, 2012) found that 24% of private renters are on housing benefit. In Northern Ireland the figure rises to 57%. As a result, the EQIA from the Department for Social Development on the Welfare Reform Bill (2011) states that "expenditure on Housing Benefit in respect of rent in Northern Ireland has increased significantly, from £312m in 2003/04, to £397m in 2008/09 and £455m in 2009/10", while the NI Housing Executive (NIHE) website reports that expenditure on HB had risen again in 2010/11 to £573m. McAnulty and Gray (2009) suggest that this may be due mainly to the growing dependence on the private rented sector where rents are considerably higher than the social housing sector. At 1 April 2011, approximately 90,000 Housing Benefit claimants, 58% of all claimants, lived in the social rented sector. Almost three out of four of these (71%) have been claiming HB for more than two years. Many of these HB claimants will be in paid work.

Limiting Housing Benefit to the lowest third of rents

From April 2011, Housing Benefit has been calculated on 30th percentile rather than the median rent. In theory, this means that only one third of private rental properties are affordable to HB claimants rather than half as previously the case. In fact, there is little evidence of anything more than a handful of properties in the thirtieth percentile of rent available in each BRMA. So, families will have little choice but to find the additional rent from money which is supposed to provide food and heating. It would be useful if DSD or the NI Housing Executive were to provide information on how many homes there are in the thirtieth percentile of rents in each BRMA, to allow parents to assess



whether it should be possible to move to a cheaper property within their child's school catchment's area. Tenants whose HB is being reduced are advised to talk to their landlord and try to negotiate lower rents but housing experts suggest that mortgage-rent ratios demanded by lenders mean that many landlords are unable to reduce rents (McAnulty and Gray, 2009).

The Scottish Government's Housing Benefits Changes Impact Assessment also points out that the nature of Buy-to-Let mortgages may not allow rent reduction. "Many of the more advantageous products require rental streams that are up to 125% of mortgage payments. It may be that landlords are unable to accept lower rents as this condition would be breached, resulting in action from lenders." (Scottish Government, 2011)

There are further proposals to reduce the Housing Benefit Bill to the Exchequer by changing the way in which LHA rates are increased from in line with the market rents in each area, to in line the Consumer Price Index. This will mean an end to any relationship between LHA rates and actual cost of rents and will see those in receipt of HB facing higher and higher demands on their other benefits over the coming years

Children living in social housing sector

This will be further exacerbated by plans to apply the size criteria which have always been applied in the private rented sector to the social rented sector (i.e. Housing Executive and housing association properties). This means that people living in houses larger than they need (under-occupiers) will have to move to somewhere smaller or make up the difference in rent caused by the reduction in their Housing Benefit. Planned reductions are a 14% cut in Housing Benefit for those of working age who under-occupy by one bedroom and a 25% cut in Housing Benefit for under-occupation by two or more bedrooms.

An analysis of the NIHE's Housing Condition Survey (see Table 1 below) indicates that 65% of NIHE rented homes are above the bedroom standard, with 42% under-occupied by one room, thereby risking a cut of 14% in HB, while 23% are under-occupied by two or more rooms, risking a cut of 25% in HB. This is primarily to do with the nature of social housing stock and claimants



should not be penalised if accommodation matching family size cannot be provided.

Table 1 Difference From Bedroom Standard By Tenure 2010-11

Difference From Bedroom Standard (Persons)	Owned Outright	Owned With Mortgage	Rented From NIHE	Other Rented
1 Or More Below Standard	2	3	3	2
Equals Standard	7	15	32	29
1 Above Standard	24	38	42	40
2 Or More Above Standard	68	44	23	29

Source: NI House Condition Survey. The sample contained 2718 households.

This 'mismatch' in available properties is admitted by the government in its impact assessment and it instructs tenants to 'look further afield for appropriately-sized accommodation or move to the private sector'. This proposal will unjustly penalise families who are already on marginal incomes who will be unable to avoid the penalty. It is likely to increase housing arrears which families will be unable to pay and will result in extreme hardship and uncounted social costs.

Rules on HB allow one bedroom for each adult or couple living as part of the household. A child under the age of 15 is expected to share with another child of the same gender, while children under 9 are expected to share with another child regardless of gender. An additional room is allowed for the carer of a disabled person where they provide over-night care for the claimant or partner. We have been unable to get figures for the number of children living in Housing Executive accommodation that is under-occupied, and nor is it clear



how older children are dealt with in the calculation of under-occupancy. It is already the case that social housing tenants are penalised for having adult children living in the house with them, even when those adult children are students, NEET or even when they are foster children who have remained in the foster home having 'grown out of care'. In addition in calculation of occupancy there is no reference to an allowance of an additional room for overnight carers of disabled children, only to a disabled claimant or partner.

We need to know whether there are social housing properties to which those who are in 'under-occupied' houses can move. We also have to consider whether forcing families to move from their homes where they have developed social networks, community support and care is a good idea when it will end up costing the tax payer more to provide alternative accommodation in the private sector of the correct size. Stability is an essential component in a child's life and whether such disruption and movement in the best interests of children must be considered by our legislators, if Article 3 of the UNCRC is not to be breached. Further, there is considerable evidence that working parents depend on grandparents and other close family to provide informal childcare to facilitate their employment. This is particularly the case for lone parents. The introduction of this change to HB rules for families in social rented sector may be counter-productive, then, to its stated aim of incentivising tenants to work.

Changes in Mortgage Interest Support

Since October 2010, those receiving out-of-work benefits have had their Mortgage Interest Support cut from the interest rate they actually pay to the Bank of England base rate of interest. This tends to be about half of what lenders actually charge in interest. This change has already led to reports from Citizens Advice Bureaux, Housing Rights Service and similar groups of people who, through no fault of their own have lost their jobs and would hope to work again when the economy provides them with jobs, being in danger of losing their homes. This will certainly happen to virtually all owner-occupiers who have been out of work for over two years depending on the anniversary of their claim, when all help towards paying their mortgages will be removed, as a result of provisions introduced in January 2009. This change came into effect in January 2011, so it will be affecting owner-occupiers as they reach the



anniversary of their claim. Given the age profile of households that have large mortgage commitments, there is every likelihood that many of those threatened with eviction for mortgage arrears will have children.

Increasing the age in relation to single room rent from under 25 to under 35 years

This reform came into effect at the end of proposes that single people under 35 are offered the shared room rate of HB rather than that of a self-contained dwelling. Tenants wishing to remain in self-contained accommodation would have to make up the shortfall themselves from their low wage or welfare benefits which will increase debt and homelessness among this age group. This is of particular concern in relation to children where parents have separated or divorced. The child(ren) may be at risk if visiting the non-resident parent, usually the father, in shared accommodation. If there is evidence of someone in the house abusing alcohol or drugs, the child(ren)'s mother may, rightly, refuse to allow the child to visit, thus undermining the child's relationship with their father. Under the UNCRC the government has a responsibility to protect children from abuse and neglect and to ensure the best interest of the child. Non-resident parents living alone will need a safe place for their children to visit and this particular change may put children's safety at risk, breaching Article 19 which states that the Government must take all appropriate measures to protect children. A child's right under Article 16 to a family life includes the right to a relationship with their father and this right is threatened by this reform.

Conclusion and Recommendations

The changes in Housing Benefit, which have already been introduced, threaten children's rights. Many families with children will lose their owner-occupied homes; others will fall into growing arrears until evicted by private sector landlords, while other families will ration food or buy less healthy food in order to pay rent shortfalls.



As a matter of urgency, the DSD needs to work with mortgage lenders to explore ways in which families with children can remain in homes that are being repossessed. Given the state of the housing market, evicting families from such homes, as well as breaching children's rights, results only in another vacant home and a homeless family.

The DSD and NI Housing Executive must provide information on how many homes there are in the thirtieth percentile of rents in each BRMA, to allow an objective assessment of whether it is possible for families to move to cheaper properties while maintaining family support networks and not having to move schools. Until there is evidence that such properties are available, households with children must be exempted from the move calculating LHA on 30th percentile.

The DSD must work with mortgage lenders and with landlords to bring down rents and to ensure that families do not have to spend on rent money which is supposed to provide food, heat and other necessities for healthy and happy children.

Housing Executive accommodation that is deemed to be under-occupied, but has children in it must be exempted from reductions in Housing Benefit.

The Assembly needs to make a clear decision about how older children are dealt with in the calculation of under-occupancy.

The Assembly should exempt non-resident parents from the shared room requirement in relation to Housing Benefit.



4. Changes in non-housing income for families with children

Children are rights holders under the UNCRC and as such have rights independent of their parents or carers. They are particularly vulnerable to poverty and are unable themselves to influence their economic circumstances. It therefore falls to their parent(s) or carers to provide an adequate standard of living, supported if necessary by the state (article 27). Children also have the right to benefit from social security (article 26). Children are vulnerable to changes in family income and any reduction in household income will mean that an already rising child poverty rate in Northern Ireland will increase even further. Reduction in family income is associated with increasing levels of poor health, greater educational disadvantage, reduced life chances and social mobility. Thus, reductions in already low incomes breach not only Articles 2, 3, 4, 6, 26 and 27 which are about the right to a standard of living appropriate to the society in which they live, but also Article 24: the right to enjoy the highest standard of health and Article 28: the right to education. Further, Article 23 provides the right for disabled children to enjoy a full life with special care and assistance provided to ensure this and this right is also threatened by welfare reforms.

All of these rights are already undermined by the effects of growing up in a low-income family (Hooper et al, 2007; Child Poverty Unit, 2009). Thus, the inequalities already experienced by many poor children could worsen considerably as a result of the Welfare Reform legislation.

Some of the welfare reforms, such as the changes to working and child tax credits detailed below, will impact mainly on low-income and some middle-income families. But all families with children will lose income because child benefit has been frozen for three years from April 2011. The loss to two child families in real terms as a result of the freeze alone will be around £208 by the years 2012/3 (NACAB briefing).

In December 2011, there were 119,800 families in NI who received in-work Child Tax Credit. Of these, 42,200 were lone parent families and 77,600 couple families. There were 65,400 families in receipt of both CTC and WTC; the rest received CTC only.

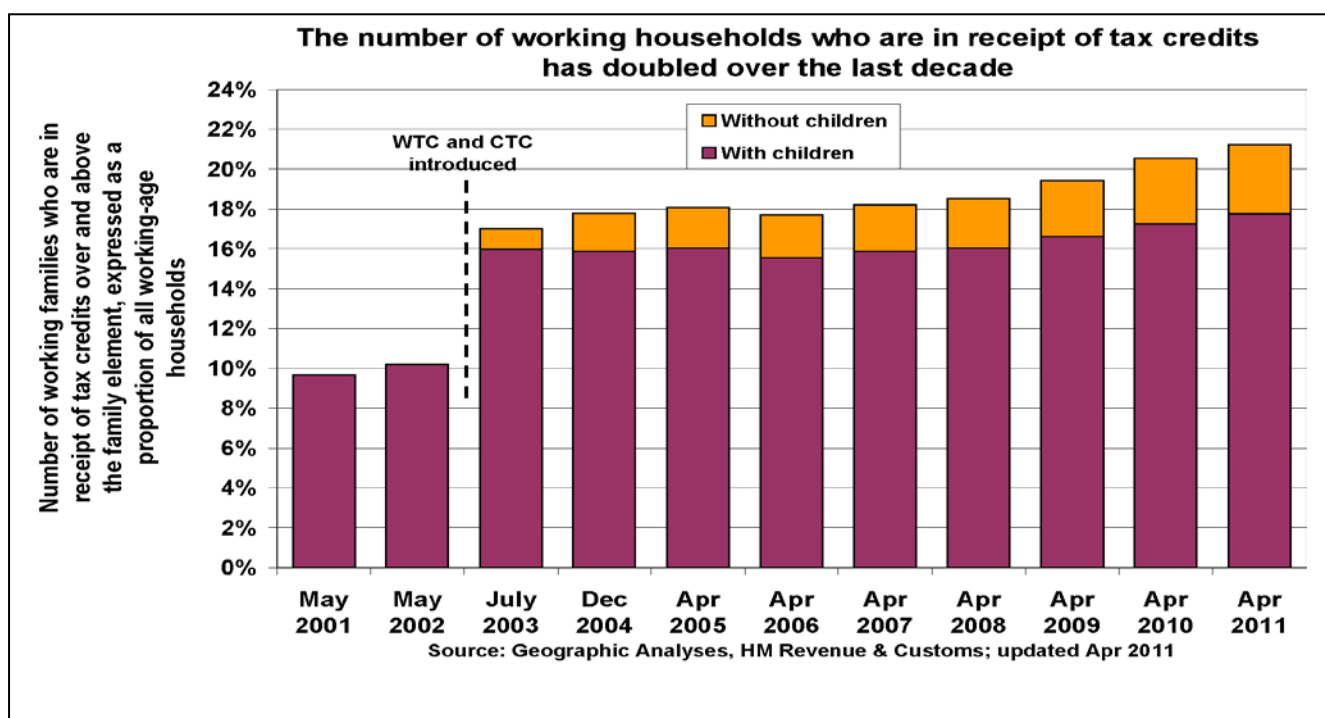


Changes in working tax credits

Northern Ireland has more families claiming Working Tax Credit (WTC) than any other region of the UK, reflecting the particularly low level of wages available to many workers in the region. While always high, the number of working families in receipt of WTC, as a proportion of all working-age families has grown over the last decade. In 2011, over one fifth (21%) of our households received Working Tax Credit; as Figure 5 indicates, the overwhelming majority of these low-income families are families with children.

Figure 5: The proportion of working households in receipt of tax credits⁴

Source: <http://www.poverty.org.uk/i15/index.shtml?2>

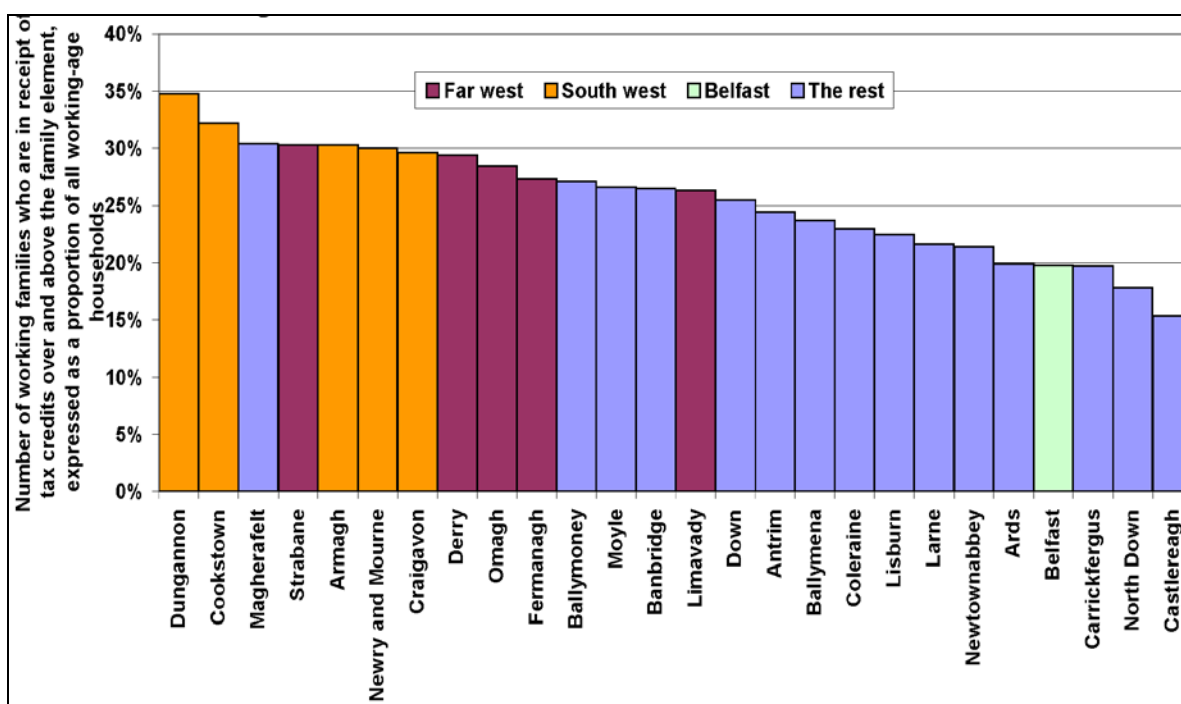


⁴ Any household with children earning under £40,000 a year receives the family element, those in receipt of tax credits above the family element are low income families, or have a child with a disability and therefore higher costs.



As can be seen from Figure 6, there are almost twice as many families in receipt of WTC in the West and border regions, compared to the East. Indeed, in the Greater Belfast area, the proportion of families in receipt of WTC is similar to rates in Scotland, Wales and the more deprived regions of England. However, in District Council areas in the West and around the border, up to a third of families are eligible for Working Tax Credits – a clear indication of in-work poverty.

Figure 6: Proportion of working age households receiving tax credits



Source: <http://www.poverty.org.uk/i15/index.shtml?2>



Changes which benefit families with children

A range of changes tax credits are already affecting working families with children. All working families, but particularly those on low wages, will have benefited from the £1,000 increase in income tax personal allowances for the 2011–12 tax year and those on very low wages will have been helped by increases in the thresholds at which National Insurance starts to be paid.

Changes which damage families with children

Some of the changes made in April 2011 have already cut the incomes of working families. For example, freezing the main and 30-hour elements of the Working Tax Credit meant that tax credit payments for those in work were reduced. According to the Citizens' Advice Bureaux, the overall loss to low paid workers entitled to both elements will be c.£390 a year by 2013. For better paid workers, there was a reduction from £50,000 to £40,000 of the point at which the family element of the Child Tax Credit starts to be withdrawn in April 2011 and there is to be a further of this point from this April onwards.

At the same time, there was an increase from 39% to 41% in the taper at which tax credit payments are withdrawn as income rises. This has had a significant impact on those on both average and low incomes because increasing the taper means that people stop being entitled to tax credits at a lower level of earnings than previously. The combination of these measures has meant less money coming into the house for families with children and this could work as a disincentive to take employment for those not currently in work or to not stay in employment to those who are currently struggling to stay in paid work.

A further disincentive to paid employment is the reduction in the generosity of the childcare element of the Working Tax Credit from 80% of childcare costs to 70%, as of April 2011. This measure alone saw families in receipt of the childcare element losing an average of some £750 in the year April 2011 to April 2012. Families with younger children have also seen the higher rate of family element, known as the baby element to families with one or more children under one year old, abolished as of April 2011, which was worth £545. Overall, the Child Poverty Action Group calculates that a baby born to a



low-income family from April 2011 is around £1,500 worse off compared to a sibling born in April 2010 (CPAG, 2012).

Also gone is the non-means tested Health in Pregnancy Grant, worth £190 and the Sure start maternity grant of £500 which was available only to low-income families (both in paid work and workless); this was removed for the second and any subsequent child. Both of these pregnancy/maternity grants were health promotion measures, meant to help women eat better in pregnancy and to meet the particular needs of young families; both were payable only if the woman produced written confirmation that she had attended ante-natal clinics etc.

From April 2013, child benefit will start to be withdrawn where one household member earns more than £50,000. It is clearly concerning that a family where a couple each earn £40,000 will keep its child benefit but a family with only one earner on £50,000, whether a lone parent or a couple, will not.

Changes to be introduced in 2012–13

According to figures from the Treasury, 22,700 families in Northern Ireland will no longer be entitled to tax credits from April 2012⁵. There are a number of reasons for this, including:

An increase in the number of hours couples with children need to work to be eligible for the Working Tax Credit from 16 to 24; Couples with children must work at least 24 hours a week, with one person working 16, to qualify for working tax credit. The rule had been 16 hours a week between the two. Many couples report being unable to get the extra hours of work needed to bring them within the new rules, meaning a loss of £73 a week for their family. The difficulties faced by parents trying to increase their hours has been confirmed by shop workers union, USDAW which reported that 78% of its members report that their employers are unable to give them extra hours of work due to the recession⁶.

⁵ <http://www.parliament.uk/deposits/depositedpapers/2012/DEP2012-0328.pdf>

⁶ <http://www.usdaw.org.uk/newsevents/news/2012/mar/twothirdsoffamiliesabout.aspx>



Further, any loss of income during the financial year, for example, because of reduced working hours or illness, will not be compensated for through WTC as it used to be as April 2012 sees the introduction of a disregard of £2,500 for in-year decreases of income. Some welfare rights experts argue that this change is the equivalent of HMRC telling taxpayers that they are entitled to only partial refunds of overpaid tax.

Northern Ireland has a higher level of self-employed people than most parts of the UK and most of these are living on low incomes. In 2006-07, there were 120,000 people in NI who were self-employed (Gray and Horgan, 2009). The stereotypical image of a self-employed person is someone running a small business and earning a good income. However, the evidence in relation to self-employed people in Northern Ireland indicates that most do not fit this stereotype. Over a quarter of self-employed people in Northern Ireland have no qualifications at all, with less than a quarter having a higher qualification. In 2007, a quarter of self-employed people were employed in the Construction industry, with Agriculture (20%), the Wholesale and Retail trade (14%) and Real estate/renting (13%), the other large areas for self-employment (Gray and Horgan, 2009). Currently, self-employed people can claim Working Tax Credit based on their actual income. However, the White Paper on Universal Credit states "for Universal Credit we are considering introducing a floor of assumed income from self-employment for those registering as such. The floor will be set at the National Minimum wage for the reported hours". As can be seen from Table 2 some one in six families living in relative poverty have a self-employed parent while one in five of those living in severe poverty (below 50% of the median) have a self-employed parent. It is vital, therefore, that particular attention is paid to how Universal Credit will impact on families with a self-employed worker.



Table 2: Families in NI living in poverty and in severe poverty in Dec 2011

Family Type living:	Under 60% of median	Under 50% of median
lone parents	37%	36%
self employed	16%	19%
one F/T one P/t	6%	4%
one F/T 1 not working	18%	16%
one or more P/T	6%	5%
both not in work	17%	20%

Source: HBAI Report 2009/10, Department of Social Development, 2011

Child Tax Credit additions for all families with a disabled child

Families who receive CTC only, whether in-work or workless, can claim more than the family element if they have responsibility for a disabled child who receives Disability Living Allowance and at a higher rate again if they have a severely disabled child for whom they receive high rate DLA. HMRC figures suggest that Northern Ireland is unusual in the UK in that we are the only region where more CTC-only families receive more than the family element of CTC (27,000) than receive family element only (26,600). In every other region, it is only among lone parents that we find this happening, while for couple families the majority receive family element only. In Northern Ireland, almost as many couple families (23,500) receive more than the family element as receive family element only (24,800). This is probably due to the higher proportion of children with disabilities that we have in NI compared to Scotland, England or Wales.

A 'disability addition' to CTC is given to help meet the additional costs of disability; this is currently £53.62 per week for the lower rate 'disability addition', while families with a child in receipt of the high rate care component of DLA also receive a 'top up addition' worth an additional £21 per week. The



lower rate 'disability addition' has been the subject of concern for the Every Disabled Child Matters (EDCM) consortium in Britain. Proposals under the Universal Credit will see lower rate 'additions' drop by over 50% - the financial impact can be seen in the below table:

Table 3: Financial impact of proposed changes to child disability premiums

	Current benefit per week	Proposed benefit per week	Monetary difference per week	Monetary difference per year
Lower disability addition	£53.62	£26.75	- £26.87	- £1397.24
Higher disability addition	£75.25	£77	+ £1.75	+ £91

Source: EDCM (2011), Briefing for House of Lords Debate on Welfare Reform

EDCM argues that these changes will cost families with disabled children up to nearly £1400 per year and could amount to substantially more than £22,000 over the childhood of a disabled child, (for a family with two disabled children this loss could be more than £44,000). Every Disabled Child Matters (EDCM) estimates approximately 63 per cent of all future disabled children will lose out as a result of this policy.

Until the criteria for the proposed rates are available, we cannot know how many of the 27,000 families currently receiving a disability addition will lose from the halving of the disability addition, but we do know that EDCM has indicated that many of these families are in danger of losing twice that amount depending on how the payment will be triggered under UC.

While the number of families receiving the severe disability element of CTC is unlikely to change as a result of the introduction of Universal Credit, it is unclear at present how many families will continue to receive the non-severe disability element since it is not yet known how this element will be triggered. At present, award of low or middle rate DLA triggers entitlement. It is notoriously difficult to receive anything more than low rate DLA for disabled



children, unless their needs are particularly complex. But low rate DLA is being abolished completely as part of the introduction of the Personal Independence Payment, so there will have to be a different way of triggering this lower element in Universal Credit – unless the plan is to end it altogether. In addition to Article 27 (right to an adequate standard of living) and Article 26 (right to benefit from social security), disabled children have further rights under Article 23 which ensures that they should enjoy a ‘full and decent life’ and provides them with the right to special care and assistance. For many families with disabled children these changes will see a reduction in income which will adversely affect these rights.

Conclusion and recommendations

The changes to working and child tax credits have already hit low and middle-income families, lowered income levels and consequently driven down living standards. The Assembly does not have power over tax matters, which are not devolved. However, working and child tax credits will be phased out with the introduction of Universal Credit and the Assembly will have the power to protect families with children, particularly those with a disabled member, in deciding how it will implement Universal Credit. In particular, it can explore ways to take into account of the particular nature of much self-employment in Northern Ireland and it can ensure that the criteria under which the disability elements of Universal Credit are triggered do not disadvantage children.



5. Families claiming out-of-work benefits

According to the DSD (2011), in November 2010 there were 117,800 children (27% of the total population of children aged under 16 and young adults aged 16 – 18 in full-time education) living in families claiming a key benefit.⁷ A full two thirds (66%) of these were children of claimants who had been on benefit for at least 2 years. These families will see the real value of their benefits drop year on year from April 2011 when the method of up-rating working age benefits was changed to the CPI (Consumer Price Index) rather than the RPI (Retail Price Index), which tends to reflect better real levels of inflation.

There were 28,130 people claiming ESA in Aug 2011; of these, 5,630 had children and the vast majority, 4,270, of these were lone parents. Between them, they had at least 10,100 children. The changes to how much ESA pays, compared to the old Incapacity Benefit will have seen most of these households lose over £30 a week in the transfer from IB to ESA. At least a thousand of these children will see their family hit by the benefit cap once it is introduced.

Children in Northern Ireland Impacted by Benefit Cap

In Aug 2011, there were 81,950 claimants of Income Support in NI. Over 40% of these (33,460) have children – indeed, over 8,000 of them had three or more children. Some 2,000 families receiving Income Support had four children while 870 families had five or more children. When we add in families claiming Jobseekers Allowance and other key benefits, we find that there are over 12,000 families with three or more children dependent on benefits. Over 2,000 of these families have four children, with 1,300 having five or more (see Table 5 below)

These families with three or more children where there is a disabled child are all at risk of being affected by the benefit cap while families with five or more

⁷ For details of the benefits discussed in this section, see Appendix 1



children will be hit by it whether or not there is a disabled child. This is because, while Disability Living Allowance or its replacement the Personal Independence Payment will not be included in the benefit cap, the disability premiums associated with Child Tax Credits will be included in the cap. Thus, we can predict with confidence that at least 6,500 children in Northern Ireland will see their families lose because of the benefit cap. A further 8,000 children in families with four children and 24,000 children in families with three children are at risk of seeing their families lose income if there is a disabled child who attracts a disability premium to the family's CTC. Given the high rates of unemployment among families that have children with disabled children, several thousand more children could be affected by the cap.

Table 5: Working age claimants of key benefits - number of children by partner

Number of children	Aug 11		Total
	Partner		
	No Partner/unknown	Partner	
Unknown	76,560	7,650	84,210
No dependents	114,630	11,540	126,170
1	18,860	4,810	23,670
2	12,260	4,390	16,650
3	5,270	2,790	8,050
4	1,850	1,180	3,020
5 or more	730	580	1,310
Total	230,150	32,940	263,090

Source: Client Group Analysis Summary of Statistics, DSD, August 2011

Note that freezes in some benefit rates and changes in the indexation method for benefits that started in 2011 will continue in 2012 and in later years and therefore have a larger effect as time goes on



6. Changes to Benefits for disabled young people

There are two welfare reform proposals which threaten the rights and living standards of children and young people with significant disabilities. These are the end of “Youth Employment and Support Allowance” and the abolition of Disability Living Allowance and its replacement by Personal Independence Payments. Both of these changes threaten to breach Article 23 - the right for disabled children to enjoy a ‘full and decent life’, Article 27 – the right to a standard of living adequate for the child’s development and Article 28 – the right to education.

Youth Employment and Support Allowance

“Youth Employment and Support Allowance” is a special arrangement which allows certain young people with long-term significant or severe disabilities to qualify for contributory Employment and Support Allowance without having to satisfy the usual National Insurance contribution conditions which require all other claimants to have paid a minimum amount of contributions to qualify. This has been a feature of the social security system in different guises since 1975; for many years this group was covered by Severe Disablement Allowance which was not means-tested and for which there were no contribution conditions. Specific rules were introduced to cover these young people when Incapacity Benefit was introduced and the Severe Disablement Allowance phased out. If the Assembly confirm this change, then young people with severe disabilities will only be entitled to ESA if they satisfy the same requirements with regards to contributions and income as everyone else. This prospect is already causing considerable anxiety to these young people and their parents/carers.



Table 6: Age of IB 'youth' customers Aug 2010

Age	Caseload	% of caseload
16-17	2	0.1
18-24	1780	59.5
25-29	1198	40.1
30-34	10	0.3
35+	0	0.0
Total	2990	100

Source: DSD Welfare Reform Bill 2012 EQIA.

As figures have not been collected for "Youth ESA", the figures used in the DSD EQIA are for Incapacity Benefit Youth, which it says are essentially the same group. As can be seen from Table 6 above, almost 60% of those claiming Incapacity Benefit 'youth' are under the age of 25.

As is detailed in the DSD EQIA on the Welfare Reform Bill, the medical conditions of IB youth claimants are very different to those of non-youth IB claimants – most have severe learning disabilities and/ or congenital or chromosomal related impairments. Incapacity Benefit 'youth' claimants are more likely to also be claiming Disability Living Allowance than the Incapacity Benefit population as a whole. Currently 86% of these 'youth' claimants are also claiming Disability Living Allowance compared to 64.8% of all Incapacity Benefit claimants. The DSD EQIA argues that these figures suggest that "those affected may be more likely to need more support compared to all Incapacity Benefit claimants".

The availability of contributory ESA is of particular importance to certain groups of disabled young people, for example, young disabled people who have been in the care system. Disabled children are overrepresented among children in care and since the transition from care is difficult for children without disabilities, those with disabilities are particularly disadvantaged in making the



transition to adulthood. For disabled young people growing up in poverty, being able to claim a contributory benefit of their own means that they can save money from their DLA towards the cost of future disability-related needs, such as an adapted car, disability equipment, a deposit on a property or future care needs. Young disabled people from better-off backgrounds tend to have parents who are able to leave them some money when they die towards the cost of future disability-related needs. This makes sense as long as they receive contributory ESA but not if they have to rely on income-related ESA with the capital limit.

Unlike other students, many disabled young people cannot support themselves through university by working during the year or in the vacations. "Youth ESA" helps to make up for this – because it is contributory, it is not reduced because of their student loans. Were disabled students to claim income-related ESA instead, they would be entitled to little or nothing during the year because of the means test.

In the course of the debate in the House of Lords, the impact of the proposed change on young people with cancer was raised. Lord Patel cited research that found that "on average young people with cancer spent £277 each month over and above their normal expenses, as a result of their illness. Half of those young cancer patients surveyed had to borrow money as a result of their illness. More than one in five had borrowed over £1,000, with almost one in 10 borrowing over £2,000. The top two expenses were travel and clothing".⁸

Disability Living Allowance

Children under age of 16 will be impacted by the abolition of DLA and its replacement by Personal Independence Payments only in so far as their parents/carers are affected. However, due to the high rates of disability and ill-health among the NI population, many children with and without disabilities will risk a decrease in their family incomes due to the changes. This is

⁸ <http://www.publications.parliament.uk/pa/ld201011/ldhansrd/text/111108-gc0002.htm>



primarily because the Westminster government has made it clear that the changes will see a reduction of over £2 billion in the amount spent on DLA with the introduction of PIP, through a 20% reduction in caseload and expenditure by end of 2015.

Table 7: Poverty among children living in a family where someone is cared for

Col%	Types of poverty				
	No poverty	Short-term, no severe	Short-term, 1+ severe	Persistent, no severe	Persistent, 1+ severe
No one cared for	94	84	97	93	77
1+ people cared for	6	16	4	7	23
All children	100	100	100	100	100

Source: Monteith, Lloyd and McKee (2008)

We know that children living in persistent and severe poverty are more likely than other children to live in a family where there is someone with a disability - see Table 7 above. For such families, DLA is a vital addition to their basic income and, without it, many children in these families will face very severe poverty and its consequences in terms of food security and shelter.

For working age persons (16 – 64) DLA will be replaced by the Personal Independence Payment (PIP) which will consist of two components (Mobility and Daily Living) payable at higher and lower rates. Existing claimants will be migrated on to the new arrangements once they are in place but, as with ESA, fewer will qualify for help. The Draft regulations published at the end of 2011 suggest that the tests for this benefit will be very stringent and those with mental health problems will find it very difficult to qualify for the new benefit.



Northern Ireland has double the proportion of its population in receipt of DLA than is the case in Britain. The big difference in relation to reasons for DLA receipt in Northern Ireland is mental health causes, where we have a 26% higher rate of mental ill-health serious enough to lead to an award for DLA – 23% of our DLA recipients have mental health issues, compared to 17% in GB. Many of these recipients will be parents living in poverty and their children’s living standards will be seriously impacted by any loss of income if PIP assessments discriminate against people with mental ill-health. Further, we have higher rates in NI of young people who suffer from mental ill-health so any bias in PIP regulations against meeting the additional living costs of people with mental ill-health will impact on them also.

Potential Impact of PIP on young disabled people

Young people with disabilities aged up to 21 are covered by the NICCY’s remit and there are currently about 5,000 young people aged 16-20 inclusive receiving DLA. As Table 8 below shows, the overwhelming majority of young people aged 16 - 24, some 7,740 receive both care and mobility elements of DLA which suggests that their impairments have a significant impact on their everyday lives. For University and Further Education students, DLA can be the difference between being able to access education or having to forego the opportunity to increase their employability and to reach their full potential.

Table 8 Children and young people in receipt of Disability Living Allowance – Aug 2011

Age group	Care only	Mobility only	Care and mobility
Under 16	3,840	70	10,690
16-24	930	220	7,740

Source: Disability Living Allowance Summary of Statistics, DSD, August 2011



In particular, the mobility part of DLA is vital to pay for the additional transport costs faced by many disabled young people. Some disabled young people from better-off families who do not need the benefit to pay for food, fuel etc use their DLA to buy the personal assistance which allows them to have a social life more in keeping with their non-disabled peers. This relative independence will be threatened by the changes.

It is worth noting that the Westminster Government has tended to conflate DLA with out-of-work benefits, although it is a non-means tested benefit available to those in paid work as well as workless. Further, some media outlets have implied that there is a high rate of fraud among DLA claimants. In fact, Audit Office and DWP investigations have found that less than 0.5% of DLA claims are fraudulent.

Conclusion and recommendations

Benefit changes and the introduction of Universal Credit (UC) will impact on children's rights in Northern Ireland. For example, families with three or more children where there is a severely disabled child are at risk of being affected by the benefit cap while families with five or more children will be hit by it whether or not there is a disabled child. Thus, we can predict with confidence that at least 6,500 children in Northern Ireland will see their families lose because of the benefit cap. Given that Northern Ireland prides itself on having strong family values, the Assembly will have to consider whether it thinks that those on benefits should be forced to limit their family size or whether there are ways of helping such families to meet the needs of their children outside of UC.

It is clear from the discussion above that the rights of disabled children and young people are particularly threatened by the abolition of 'youth' ESA and by the introduction of PIP. Further, the rights of children with a disabled or ill parent, especially one whose parent(s) suffers from mental ill-health are also under threat. The Assembly has the power to protect the rights of these children and young people (Articles 2, 3, 6, 23, 24, 26, 27 and 28). The numbers who receive 'youth' ESA are small enough to cost relatively little in breaking parity to maintain their rights.



The Assembly should set up an expert group to examine the Work Capability Assessments (WCA) being carried out to move claimants from IB to ESA and the new assessments which will be introduced as DLA is abolished and PIPs introduced. The expert group should include psychiatrists who work with people who have PTSD, as well as paediatricians and other experts in disability, both childhood and adult. This expert group could develop a WCA and PIP assessment that takes into account the particular issues of a region emerging from conflict where our high levels of mental ill-health are severely exacerbated by PTSD (Bunting et al, 2008).



7. Other welfare reform issues to be considered by the Assembly

Social Fund

The Welfare Reform Bill abolishes the Social Fund which provides emergency funding in cases of urgent hardship, for example, in circumstances of sectarian intimidation, domestic violence or illness. Community care grants from the fund cover essential items of furniture, fridges, cookers etc while crisis loans are paid when there is an immediate threat to the health and safety of the applicant and/or their family. Over half (52%) of all awards of Community Care Grants are to lone parents (DSD, 2011). If the Social Fund is abolished and the money is not ring-fenced for emergency funding this could result in cases of severe hardship and make it even more difficult for those fleeing intimidation or living with domestic violence to find an escape route.

Further, analysis of the Family Resources Survey found that nine out of ten parents of severely poor children have no money to replace worn or broken furniture or broken electrical goods (Monteith and McLaughlin, 2004). The only route these parents have to relieve the material deprivation faced by their children is to access the Social Fund.

The Social Fund is a much needed last source of financial help for those families who have no access to other loans or credit and the abolition will result in more families having to use high-interest doorstep lenders and pay-day loans. The funds are also at risk of being absorbed into health and welfare budgets if this is not ring-fenced for emergency loans. The use of high risk credit providers and illegal money lenders is likely to result in increased debt and compromise the safety and welfare of children. The abolition of the Social Fund, if not replaced by a ring-fenced alternative and protected in the NI budget as an emergency fund for families, will result in failure to provide for the best interests of children (article 3) and is likely to result in breaches of their right to enjoyment of the highest attainable standard of health (article 24). Any failure to guarantee crisis support for those fleeing domestic violence, puts children at risk of abuse and could be in breach of Article 19 of UNCRC.



The Assembly must ensure that enough money is allocated to meet the basic material needs of families with children and that this money, however it is to be administered, is ring-fenced.

Payment of Universal Credit

Universal Credit (UC) will see the end of means-tested benefits, including JSA, ESA and IS and will end tax credits. Currently different benefits and tax credits may be claimed by, and paid to, different people within a household (including different individuals within couples), often at different intervals. So, a family of man, woman and significantly disabled 17 year old young person, where no one is in paid employment may see the man, who makes a joint claim for himself and his partner receive fortnightly JSA or ESA every other Thursday; if her child receives high rate DLA for care reasons, the woman might receive carer's allowance fortnightly and tax credits and child benefit for the 17 year old still at school monthly, while the 17 year old will receive their DLA weekly; the Housing Benefit for the family is likely to be paid directly to the landlord.

It is proposed that universal credit will be claimed by couples jointly, will include all the benefits, including HB, with the exception of carer's allowance and DLA; it will usually paid in full to one partner on a monthly basis. This is a radical change that is frightening to many of those living on low incomes, particularly to the women who are often the managers of poverty. There are two main issues raised by the question of payment: who should be paid universal credit in couples, and how often should it be paid.

Given that most joint claims for benefit are currently made by the male, it seems inevitable that most UC payments will go to the man in a couple. But there is evidence that money that goes directly to the mother is more likely to be spent on children than when it goes via the father (Hinds, 2011). The Child Poverty Action Group has stated that "This transfer of thousands of pounds per family 'from the purse to the wallet' will threaten allocation within household budgets to meet children's needs."⁹

⁹ <http://www.cpag.org.uk/press/2011/120111.htm>



But the proposal that has caused most concern among those struggling to make ends meet on benefits has been that of a single monthly payment. A range of organisations that work with and for people living in poverty have described the move as ‘catastrophic’ for many families. They report benefit claimants already having difficulties in managing fortnightly payments and depending on family, friends and neighbours for loans towards the end of each fortnight – and that is with child benefit and CTC often being paid on a different day than the adult benefits. There is a real fear among people living on low incomes that they will be unable to feed their children or keep the electricity meter topped up towards the end of every month (Hinds, 2011).

Further, given the reliance on one payment, a failure of the IT system or incorrect decisions or appeals processes could have severe consequences for families with children and could breach several articles of the UNCRC, in particular articles 26 (right to social security), 27 (right to adequate standard of living), 3 (best interests of the child must be a primary consideration), and 24 (right to enjoy the ‘highest attainable standard of health’).

The Westminster government was made aware of the panic that there is among low-income groups that know about the proposal. In response, the DWP has said that where it considers exceptional circumstances exist, “a payment exceptions service will be made available to provide more frequent payments to households”. It has also promised to examine how households can “be supported...to manage monthly payment. Proposals are likely to include a mix of financial advice and interim and bridging loans. We will also agree how payment dates during the month will be allocated.” (DWP, 2011)

There are real dangers for children’s rights in the proposed single monthly payment to one member of the household. The Assembly needs to examine how this can be circumvented and, in particular, to consult with groups of people bringing up children on low incomes for ideas on how this might be done. It should also consult the other devolved governments on this issue.



Conditionality, sanctions and the impact on children

The introduction of Universal Credit brings with it far tighter conditionality for benefit claimants and a new range of sanctions that may be applied – some for quite considerable lengths of time. Some sanctions can result in the removal of benefits for periods from three months to three years. Medium-level sanctions include, for example, failure to undertake all reasonable action to obtain work, for which people struggling with mental ill-health may find it difficult to provide evidence, will result in a four-week withdrawal of benefit for a first failure and three month withdrawal for a second or third failure. Failure to take up a job offer can result in withdrawal of benefit for three months, six months or three years. For parent of children who have particular needs, including the parents of teenagers who are at risk of becoming involved in the criminal justice system, it may seem impossible for them to take up a job offer *and* provide their child with the care and supervision s/he needs.

Further, Northern Ireland is the only UK region which does not have a childcare strategy. The Executive has yet to produce one, despite the fact that Northern Ireland has the worst childcare provision in the UK and the increasing obligations placed on lone mothers by welfare reform provisions. The 2006 Childcare Act which made childcare a statutory duty of local authorities in England and Wales has no equivalent in Northern Ireland. The need for a strategy and better provision has been acknowledged across a number of policy documents (DHSSPS, 2005 DENI; 2006; OFMDFM, 2006a and 2006b).

In a written answer to the Assembly, the OFMDFM stated on 14 October 2011 that “As the lead department in co-ordinating this work, we anticipate issuing proposals on a draft Childcare Strategy for a period of public consultation early next year.” (AQO 348/11-15). Northern Ireland does not have the Extended Schools wrap-around services that are available to families in Britain, nor does it have an Extended Schools Strategy. Without a Childcare Strategy, investment in quality, accessible and affordable childcare and wrap-around Extended Schools services, it is clearly unfair to sanction parents who cannot take up job offers. But, even with these, parents concerns about their teenage children must also be taken into account in the decisions of lone parents or the



main caregiver in a couple family about whether or not to take up paid employment.

While the Westminster government has clarified that a sanctioned claimant will still receive benefits for his/her children, the removal of any income from household budgets that are already stretched tight cannot but have a severely detrimental effect on the children in that household. It is important, therefore, that clear regulations are issued by the DSD to ensure that no child suffers because of sanctions.

As noted at the beginning of this report, the Northern Ireland Assembly used its powers to ensure that, in applying the provisions of 2009 Welfare Reform Act to the region, the children of lone parents would be protected from their parent being asked to undertake employment or work-related tasks that were not in the best interests of his/her children. And lone parents across the UK with children under 16 are also protected by special rules that allow them to limit the hours they work, as long as they are willing to work at least 16 hours a week. Lone parents with a child under age 13 can also limit their search to work within school hours.

However, the way in which Article 26 of the UNCRC is drafted makes it clear that a child's independent rights to social security and to an adequate standard of living under the UNCRC should never be affected by the imposition of benefit sanctions upon his or her parent or carer. It is, therefore, not sufficient to ensure that sanctions will only affect the adult component of Universal Credit since withdrawal or reduction of this will have a substantial effect upon household income and, as a result, on the child's standard of living. It is important that when the DSD comes to drafting regulations about the sanction regime under Universal Credit, it ensures that any decision to impose a benefit sanction upon a claimant with dependent children must take into account the best interests of the children.

Conclusion and recommendations

The Assembly can ensure that regulations around conditionality and sanctions take into account Northern Ireland's high levels of mental ill-health and its lack



of accessible and affordable childcare. It can also ensure that parents bringing up teenage children in areas of multiple disadvantage can be allowed to give their children the care and supervision that parents living in better-off areas may not have to, or that better-off parents can buy through out-of-school activities.

Even where there is evidence that a parent could take paid employment but fails to, the evidence that children suffer even more deprivation as a result of overall household income falling indicates that the Assembly must ensure that children do not suffer as a result of such sanctions – while that means removing the sanction of benefit withdrawal from all claimants with dependent children, the amount that this breach with parity would cost would be relatively small as there is no evidence that there would be more than a handful of such cases.



8. Conclusion

The income families with children in Northern Ireland have already been badly affected by welfare reforms introduced since 2010, with consequent lowering of living standards for those in the bottom half of society. Those families face a further drop in living standards over the coming three years and the Assembly needs to move to protect families with children in any way it can.

The changes in Housing Benefit, which have already been introduced, threaten children's rights. Many families with children will lose their owner-occupied homes; others will fall into growing arrears until evicted by private sector landlords, while other families will ration food or buy less healthy food in order to pay rent shortfalls.

As a matter of urgency, the DSD needs to work with mortgage lenders to explore ways in which families with children can remain in homes that are being repossessed. Given the state of the housing market, evicting families from such homes, as well as breaching children's rights, results only in another vacant home and a homeless family.

The DSD and NI Housing Executive must provide information on how many homes there are in the thirtieth percentile of rents in each BRMA, to allow an objective assessment of whether it is possible for families to move to cheaper properties while maintaining family support networks and not having to move schools. Until there is evidence that such properties are available, households with children must be exempted from the move calculating LHA on 30th percentile.

The DSD must work with mortgage lenders and with landlords to bring down rents and to ensure that families do not have to spend on rent money which is supposed to provide food, heat and other necessities for healthy and happy children.

Housing Executive accommodation that is deemed to be under-occupied, but has children in it must be exempted from reductions in Housing Benefit.



The Assembly needs to make a clear decision about how older children are dealt with in the calculation of under-occupancy.

The Assembly should exempt non-resident parents from the shared room requirement in relation to Housing Benefit.

The changes to working and child tax credits have already hit low and middle-income families, lowered income levels and consequently driven down living standards. The Assembly does not have power over tax matters, which are not devolved. However, working and child tax credits will be phased out with the introduction of Universal Credit and the Assembly will have the power to protect families with children, particularly those with a disabled member, in deciding how it will implement Universal Credit. In particular, it can explore ways to take into account of the particular nature of much self-employment in Northern Ireland and it can ensure that the criteria under which the disability elements of Universal Credit are triggered do not disadvantage children.

Benefit changes and the introduction of Universal Credit (UC) will also impact on children's rights in Northern Ireland. For example, families with three or more children where there is a severely disabled child are at risk of being affected by the benefit cap while families with five or more children will be hit by it whether or not there is a disabled child. Thus, we can predict with confidence that at least 6,500 children in Northern Ireland will see their families lose because of the benefit cap. Given that Northern Ireland prides itself on having strong family values, the Assembly will have to consider whether it thinks that those on benefits should be forced to limit their family size or whether there are ways of helping such families to meet the needs of their children outside of UC.

This report indicates that the rights of disabled children and young people are particularly threatened by the abolition of 'youth' ESA and by the introduction of PIP. Further, the rights of children with a disabled or ill parent, especially one whose parent(s) suffers from mental ill-health are also under threat. The Assembly has the power to protect the rights of these children and young people (Articles 2, 3, 6, 23, 24, 26, 27 and 28). The numbers who receive 'youth' ESA are small enough to cost relatively little in breaking parity to maintain their rights.



The Assembly should set up an expert group to examine the Work Capability Assessments (WCA) being carried out to move claimants from IB to ESA and the new assessments which will be introduced as DLA is abolished and PIPs introduced. The expert group should include psychiatrists who work with people who have PTSD, as well as paediatricians and other experts in disability, both childhood and adult. This expert group could develop a WCA and PIP assessment that takes into account the particular issues of a region emerging from conflict where our high levels of mental ill-health are severely exacerbated by PTSD.

In deciding how to replace the Social Fund after its abolition, the Assembly must ensure that enough money is allocated to meet the basic material needs of families with children and that this money, however it is to be administered, is ring-fenced.

There are real dangers for children's rights in the proposal the UC should be a single monthly payment to one member of the household. The Assembly needs to examine how this can be circumvented and, in particular, to consult with groups of people bringing up children on low incomes for ideas on how this might be done. It also needs to put in place emergency systems in case the IT system fails. It should also consult the other devolved governments on this issue.

The Assembly can ensure that UC regulations around conditionality and sanctions take into account Northern Ireland's high levels of mental ill-health and its lack of accessible and affordable childcare. It can also ensure that parents bringing up teenage children in areas of multiple disadvantage can be allowed to give their children the care and supervision that parents living in better-off areas may not have to, or that better-off parents can buy through out-of-school activities.

Even where there is evidence that a parent could take paid employment but fails to, the evidence that children suffer even more deprivation as a result of overall household income falling indicates that the Assembly must ensure that children do not suffer as a result of such sanctions – while that means removing the sanction of benefit withdrawal from all claimants with dependent children, the amount that this breach with parity would cost would be relatively small as there is no evidence that there would be more than a handful of such cases.



In conclusion, it is clear from the analysis in this report that a range of children's rights may be severely compromised by some of the provisions of the Welfare Reform Bill 2012. Our Assembly and the Ministers of its Executive have a good record of doing what they can to protect the rights of the most vulnerable children. It is to be hoped that, presented with the evidence of this child rights impact assessment, they will work to "stretch" parity as much as is possible in order to continue this proud tradition.



References

Browne, J. (2010a), *IFS 2010 Spending Review Analysis*.

<http://www.ifs.org.uk/publications/5313>

Browne, J. (2010b), *The impact of tax and benefit reforms to be introduced between 2010–11 and 2014–15 in Northern Ireland*, IFS Briefing Note 114, Institute for Fiscal Studies, London

Browne, J (2012), *The Impact of Austerity Measures on Households with Children*, Family and Parenting Institute, London

Child Poverty Unit (2009), *Ending Child Poverty, Making it Happen*, HMSO, London

CPAG (2011), "Can Welfare Reform Work?" in *Poverty magazine*, 139, London.

CPAG (2012), *The Cuts: what they mean for families at risk of poverty*, CPAG Briefing, London

Croke, E. And Crowley, A. Eds (2006). *Righting the Wrongs: The reality of children's rights in Wales*. Save the Children Wales.

Department for Communities and Local Government (2012) ""English Household Survey Headline Report 2010-11" London: Department for Communities and Local Government

Department of Education (NI) (2006) *Outcomes from the Review of Pre-School Education*. Bangor: DE

Department of Health Social Services and Public Safety (2005) *Review of Children First*. Belfast: DHSSPS

DSD (2011), *Welfare Reform Bill (Northern Ireland): Equality Impact Assessment*, Department of Social Development, Belfast

DWP (2011), *Universal Credit Briefing Note 2 – The Payment Proposal*, DWP, London



EDCM (2011), *Briefing for House of Lords Debate on Welfare Reform, Every Disabled Child Matters*, London

Ferry, F. Bolton, D., Bunting, B, Devine, B. McCann, S and Murphy, S. (2008), *Conflict, Trauma and Health in Northern Ireland*, NICTT/University of Ulster, Omagh

Gray and Horgan (2009), *Figuring It Out: Looking Behind the Social Statistics for Northern Ireland*, ARK, Belfast

Gray, P. & McAnulty, U. (2009) *Living In the private rented sector: The Experiences of Tenants*, Belfast: NIHE.

Hinds, B. (2011), *Women on the Edge? The Northern Ireland Economy: A Comprehensive Analysis of the Impacts of the Financial Crisis*

Hodgkin, R. (1998). *Child Impact Statements in 1997/98: An Experiment with Child Proofing UK Parliamentary Bills*. London: National Children's Bureau Enterprises Ltd.

Hooper, CA, Gorin, S, Cabral, C and Dyson. C, *Living with hardship 24/7: the diverse experiences of families in poverty in England*, York Publishing, 2007

Horgan, G and Monteith (2009). *What can we do to tackle Child Poverty in Northern Ireland?* York: Joseph Rowntree Foundation.

Joyce, R. (2012), *Tax and benefit reforms due in 2012–13, and the outlook for household incomes*, IFS Briefing Note 126, London

McAnulty, U and Gray, P (2009), *Socio-economic Profile of Tenants in the Private Rented Sector*, NIHE, Belfast

Monteith, M, Lloyd, K. and McKee, P (2008), *Persistent Child Poverty in Northern Ireland*, Save the Children/ARK, Belfast

Monteith and McLaughlin (2004), *Children and Severe Poverty in NI*, Belfast, Save the Children



NACAB (2010), *The Coalition Budget and CSR 2010*, NACAB Briefing, London.

NIA (2011), *An Introduction to Welfare Reform*, Assembly Research and Library Service Briefing Paper 13/11, NIAR 606-10

Office of the First and Deputy First Minister (2006a) *Lifetime Opportunities: Government's anti-poverty and Social Inclusion Strategy for Northern Ireland*. Belfast: OFMDFM

Office of the First and Deputy First Minister (2006b) *Gender Equality Strategy for Northern Ireland 2006-2016*. Belfast: OFMDFM

Paton, L. and Munro, G. (2006). *Children's Rights Impact Assessment: the SCCYP Model*. Scotland's Commissioner for Children and Young People.

Scottish Government (2011), *Housing Benefit Changes: Scottish Impact Assessment*, SC Communities Analytical Services, Edinburgh

SPA (2011), *In Defence of Welfare: the impacts of the spending review*, Social Policy Association, 2011

Sylwander, L. (2001). *Child Impact Assessments: Swedish Experience of Child Impact Analyses as a Tool for Implementing the UN Convention on the Rights of the Child*. Stockholm: Ministry of Health and Social Affairs and Ministry for Foreign Affairs.



Appendix 1: Current income replacement benefits

There are three main income replacement benefits for adults with children who are either completely without work or who (in some cases) are working just a few hours a week. These are:

- *Jobseeker's Allowance (JSA)* is the default benefit for workless, working-age adults. To receive the benefit, a person must be available for, and actively seeking, a job (usually a full-time one).
- *Employment and Support Allowance* is now the main benefit for those unable to work due to disability or ill-health. Until October 2008, these people received either *Incapacity Benefit (IB)* or *Income Support (IS)*. Since then, new claimants receive the *Employment and Support Allowance (ESA)* and those still receiving IB or IS are being assessed to determine their capability for work.
- *Income Support (IS)* was the main benefit for lone parents with young children, as well as for carers and there is no requirement to be seeking work to claim this benefit. Over recent years has been a sharp reduction in the age of the youngest child below which a lone parent remains eligible for IS (down from the 16th birthday to the 5th and from 2013, only lone parents with a child under the age of one will be able to receive IS.

Since an individual can only receive one of these benefits at any one time, the numbers can be added up to determine the number of people receiving an out-of-work benefit.

It should also be noted that many workless adults are not counted in the benefit figures, for example, the partners of those claiming one of the above benefits will not be counted in the benefit figures. And the partners of those in paid employment, will receive contributory JSA for six months or contributory IB for one year only, no matter how long they are actively seeking work.



Disability benefits: DLA

The main difference between DLA and the other benefits is that entitlement is based on need: neither work status, income nor contributions are relevant. A medical examination by a health care professional acting on behalf of the DWP may be required. Those who are awarded DLA are those who need help with everyday tasks, and/or have mobility difficulties. DLA offsets the additional costs associated with disability. A person can receive DLA while in paid employment, as well as with another benefit.

