

All Party Parliamentary Group on Poverty

Call for evidence into the (in)adequacy of social security benefit rates

This response has been made by the Women's Regional Consortium (WRC) in Northern Ireland.¹

Purpose

- **To what extent are current levels of social security benefit rates effective in achieving that aim and in alleviating poverty?**
- The WRC do not believe that current levels of social security benefits rates are adequate nor do they help to alleviate poverty at their current levels.
- Social security has a vital role to play in easing the impact of poverty on families. However, social security policy developments since 2010 have tended to reduce the ability of the system to protect against poverty.² This has meant that levels of social security benefits were already inadequate even before the Cost of Living Crisis.³
- The Cost of Living Crisis is bringing the inadequacy of social security benefits into sharper focus, increasing the numbers of people impacted by poverty. Households in the bottom 20% of incomes across the UK are facing worrying levels of financial stress and deprivation which have risen significantly. 75% have reported going without essentials, 20% have reported going hungry and 53% are in arrears with at least one bill.⁴
- WRC research on Women Living with Debt shows that current social security benefit rates are inadequate forcing many on the lowest incomes into poverty, debt and associated mental health issues which has costs for the individuals themselves and for society as a whole. 60% of the women reported having difficulty meeting their debt repayments and/or missing repayments. 60% said their debts were impacted by rising food/energy prices and 26% reported the loss of the Universal Credit uplift impacted their debts. 72% reported they were negatively impacted by being in debt in relation to their mental health/wellbeing.⁵

Adequacy

- **To what extent do you think families and individuals receive enough from the social security system to meet their needs?**
- Research by the WRC over a number of years has shown that women consistently report that levels of social security are inadequate to live dignified, healthy lives and living on benefits does not provide sufficient income to afford the essentials and meet basic household bills.⁶
- Low-income households spend a much greater proportion of their income on essentials like food, energy, housing and transport compared to better-off households. A fifth of all low-income households (2.5 million) are going without food and heating. This rises to over a quarter for those on the bottom 20% of incomes.⁷

¹ <https://www.womensregionalconsortiumni.org.uk/about-us/>

² Protecting dignity, fighting poverty and promoting social inclusion in devolved social security, Dr Mark Simpson, Ulster University, June 2018 http://www.niassembly.gov.uk/globalassets/documents/raise/knowledge_exchange/briefing_papers/series7/simpson060618.pdf

³ European Committee of Social Rights, Activity Report 2013, Council of Europe, July 2014 (pages 181-182) <https://rm.coe.int/CoERMPublicCommonSearchServices/DisplayDCTMContent?documentId=0900001680489115>

⁴ <https://www.jrf.org.uk/report/going-under-and-without-jrfs-cost-living-tracker-winter-202223>

⁵ <https://www.womensregionalconsortiumni.org.uk/wp-content/uploads/2022/09/Women-Living-with-Debt-1.pdf>

⁶ See research papers – Impact of Ongoing Austerity on Women (2019), Making Ends Meet (2020), The Impact of Universal Credit on Women (2020), Women Living with Debt (2022) available here: <https://www.womensregionalconsortiumni.org.uk/research/>

⁷ [Over three million low-income households said they have not been able to keep their home warm because they aren't able to afford it as dangerously cold weather sets in | JRF](https://www.jrf.org.uk/news/over-three-million-low-income-households-said-they-have-not-been-able-to-keep-their-home-warm-because-they-arent-able-to-afford-it-as-dangerously-cold-weather-sets-in)

- Almost every low-income household on Universal Credit is going without the basics (90%) – either experiencing food insecurity, or going without basics like a warm home and essential journeys rising to 95% where deductions are being made, for example, to repay debts to Government.⁸
- The £20 weekly uplift to Universal Credit provided a much needed boost to the value of Universal Credit. The social security system, particularly Universal Credit as the main benefit for those out of work or on a low income, must provide an adequate safety net to people and families. Without this safety net more people, families and children will be pushed into financial hardship and poverty which has long-term, negative impacts for their mental and physical health. WRC research found that the uplift made a significant difference to claimants and called for its retention, the need to extend it to legacy benefits/Carer's Allowance and to make it permanent.⁹
- Cabinet Secretary for Social Security and Older People in Scotland Shirley-Anne Somerville told the Scottish Affairs Select Committee: *"I would suggest the fact that the £20 uplift came in at all shows that it was not enough to live on in the first place and, therefore, absolutely should remain a permanent fixture and indeed extended to legacy benefits."*¹⁰
- **How should we decide on an adequate level of social security entitlement?**
- The WRC agrees with our colleagues in the Women's Policy Group (of which we are a member) that social security should be sufficient to allow people to afford the basic essentials of life so there should be an analysis of the costs of meeting that basic standard and setting the rate of benefits to that standard taking into account regional differences.
- The Consortium also agrees with the recommendation by the Joseph Rowntree Foundation (JRF) that there needs to be more effective matching of benefit up-rating to the cost of living. JRF stated that failing to do this would push 10,000 more families in Northern Ireland into poverty.¹¹
- An Expert Advisory Panel Report into an Anti-Poverty Strategy for Northern Ireland has stated that the benefit system has become a driver of poverty and destitution and made a number of recommendations including permanently ending the 'bedroom tax', the two-child limit, the benefit cap and the five-week wait. The Expert Panel has also suggested the introduction of a Northern Ireland Child Payment to tackle child poverty levels.¹²
- The WRC believes there needs to be better measurement and monitoring of poverty as recommended by the Anti-Poverty Strategy Expert Advisory Panel report.¹³ This could help to make better decisions on adequate levels of social security entitlement as well as providing for more effective targeting of social security benefits.
- **How well does the current level of social security entitlement meet the needs of claimants?**
- Poverty statistics indicate that the current level of social security entitlement is not meeting the needs of claimants. Nearly one in five people in Northern Ireland live in poverty.¹⁴ One in four children in Northern Ireland are living in poverty with as many as two in five children

⁸ <https://www.jrf.org.uk/report/going-under-and-without-jrfs-cost-living-tracker-winter-202223>

⁹ <https://womensregionalconsortiumni.org.uk/wp-content/uploads/2021/04/Womens-Regional-Consortium-response-to-APPG-on-Poverty-UC-uplift-call-for-evidence.pdf>

¹⁰ <https://committees.parliament.uk/oralevidence/1844/pdf/>

¹¹ <https://www.jrf.org.uk/report/poverty-northern-ireland-2022>

¹² <https://www.communities-ni.gov.uk/system/files/publications/communities/dfc-social-inclusion-strategy-anti-poverty-expert-advisory-panel-recommendations.pdf>

¹³ Ibid

¹⁴ <https://www.jrf.org.uk/report/poverty-northern-ireland-2022>

in single parent families growing up in poverty.¹⁵ Just under a third of disabled people in Northern Ireland are living in poverty and a higher proportion of disabled people are in a family in receipt of income-related benefits – 35% compared to around a quarter of non-disabled people.¹⁶

- **Information on demographic groups**

- A decade of welfare reform/austerity policies have weakened the ability of the social security system to protect people from poverty and meet the needs of families and individuals. Some groups were disproportionately affected by these changes including **women** who are more likely to claim social security benefits. The House of Commons Library reported that 86% of the savings to the Treasury from the tax and benefit changes since 2010 will have come from women.¹⁷
- An analysis of the impact of the reforms by the Northern Ireland Human Rights Commission (NIHRC)¹⁸ showed that across most income levels the overall cash impact of the reforms is more negative for **women** than for men. NIHRC found that households with children experience much larger losses as a result of the reforms than those without children. This is particularly the case for **lone parents** (mostly women) who lose £2,250 on average, equivalent to almost 10% of their net income.
- Following its examination of the UK, the CEDAW Committee raised concerns about the disproportionate impact of austerity measures on **women** and recommended that the UK government “undertake a comprehensive assessment on the impact of austerity measures on the rights of women and adopt measures to mitigate and remedy the negative consequences without delay.”¹⁹
- Carer’s Allowance, the main benefit for people providing **unpaid care** for family or friends, remains the lowest benefit of its kind meaning that many carers struggle to make ends meet. **Women** are more likely to provide care and latest statistics show that 70% of those in receipt of Carer’s Allowance in Northern Ireland are female.²⁰
- Poverty amongst **informal carers** in Northern Ireland has been higher than those without caring responsibilities for at least the last 15 years and is highest of all four UK nations.²¹
- Circumstances in **Northern Ireland** make the inadequacy of benefits even more concerning. More people in Northern Ireland have to rely on social security for their income putting them at higher risk of poverty. The number of individuals in working-age families in receipt of Universal Credit or the legacy benefits it replaces is the highest of any of the four UK nations at around a third of families compared to a quarter in the other nations.²²
- **Northern Ireland** is a low-income economy with significant social and economic problems including higher levels of economic inactivity especially for women, low levels of financial resilience, higher risk of destitution, higher childcare costs, endemic poor mental health,

¹⁵ https://www.savethechildren.org.uk/content/dam/gb/reports/ten_years_too_long_a_decade_of_child_poverty_in_northern_ireland.pdf

¹⁶ <https://www.jrf.org.uk/report/poverty-northern-ireland-2022>

¹⁷ Estimating the gender impact of tax and benefit changes, Richard Cracknell, Richard Keen, Commons Briefing Papers SN06758, December 2017 <http://researchbriefings.files.parliament.uk/documents/SN06758/SN06758.pdf>

¹⁸ Cumulative impact assessment of tax and social security reforms in Northern Ireland, NIHRC, November 2019 https://www.nihrc.org/uploads/publications/Final_CIA_report_Oct_2019.pdf

¹⁹ Concluding Observations on the eighth periodic report of United Kingdom of Great Britain and Northern Ireland, CEDAW/C/GBR/CO/8, March 2019 (paras 16 and 17) https://tbinternet.ohchr.org/_layouts/treatybodyexternal/Download.aspx?symbolno=CEDAW/C/GBR/CO/8&Lang=En

²⁰ <https://www.communities-ni.gov.uk/publications/benefits-statistics-summary-publication-national-statistics-august-2022>

²¹ <https://www.jrf.org.uk/report/poverty-northern-ireland-2022>

²² <https://www.jrf.org.uk/report/poverty-northern-ireland-2022>

high fuel poverty levels and a greater proportion of homeowners in poverty.²³ Compounding all these issues there has been no functioning NI Assembly and Executive since May 2022 which is stalling much needed progress in many of these areas.

- **Child poverty** is a significant issue in Northern Ireland and the Welfare Mitigations Review stated that the two-child limit, unchecked, would lead to a further damaging rise in child poverty.²⁴ **Children** in Northern Ireland are disproportionately impacted by the two-child limit given Northern Ireland's larger average family sizes compared to GB.

Uprating Process

- **How well is the current process of uprating benefits working?**
- The current process of uprating benefits does not work causing hardship, poverty and debt. In April 2022 benefits were uprated at 3.1% despite inflation of 9% effectively a real terms cut in their value. Even though Government eventually committed to raising benefits with inflation in April 2023 it still leaves a gap of many months when low income households saw their incomes reduce during a Cost of Living Crisis and over the harsh winter months.
- The Resolution Foundation has stated that even with 10% uprating 2023/24 is projected to be a catastrophically bad year for household incomes. For the typical non-pensioner in the bottom fifth of the income distribution they project an 11% real income fall in 2023/24. This would be the worst drop on record (back to 1962) even assuming that all working-age benefits are indexed in line with inflation.²⁵
- **What are the alternatives to the current practice of uprating benefits in April based on last September's inflation rate?**
- Levels of social security benefits need to be more responsive to the actual cost of living and much more closely based on what it costs to afford a basic standard of living. Benefits should be uprated much closer to the actual rate of inflation (perhaps using the previous month's rate) and uprated more frequently than annually to reflect actual circumstances.
- Trussell Trust research shows that 73% of people receiving Universal Credit were repaying an Advance Payment when they visited a food bank despite clearly being unable to afford the essentials.²⁶ Changes should be made to UC so that the basic rate of support, even after deductions such as debt repayments to Government, can never be so low that people are unable to afford essentials such as food, utility bills and basic household goods.²⁷
- Mitigation payments can help to address the inadequacy of social security benefits and have been successful in Northern Ireland with a joint inquiry concluding that: "*overall, the mitigations package has been a success*" in responding to the particular circumstances of Northern Ireland and that some elements should be considered for adoption at UK level.²⁸
- An independent Welfare Mitigations Review Report²⁹ has recommended retaining the existing mitigations for the Benefit Cap and the Bedroom Tax and recommended a number of new mitigations for Northern Ireland including offsetting the two-child policy. Their recommendations to strengthen the mitigations package target households on a low income and those containing an adult and/or a child with a disability alongside benefitting women in particular. However, a lack of functioning Assembly/Executive impedes progress on implementing these important recommendations.

²³ <https://committees.parliament.uk/writtenevidence/114044/pdf/>

²⁴ <https://www.communities-ni.gov.uk/sites/default/files/publications/communities/dfc-welfare-mitigations-review-independent-advisory-panel-report-2022.pdf>

²⁵ [The Long Squeeze • Resolution Foundation](#)

²⁶ [Lift-the-burden-Dec-20.pdf \(trusselltrust.org\)](#)

²⁷ [Going under and without: JRF's cost of living tracker, winter 2022/23 | JRF](#)

²⁸ <https://publications.parliament.uk/pa/cm201719/cmselect/cmniaf/2100/2100.pdf>

²⁹ [Welfare Mitigations Review \(communities-ni.gov.uk\)](#)