

# Welfare Mitigation Review Independent Advisory Panel Survey

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Response to Consultation

**Date 21 January 2022**



## ABOUT NIFHA

The Northern Ireland Federation of Housing Associations, formed in 1977, is the representative body for Northern Ireland's 20 registered housing associations.

Our members are all not-for-profit organisations. Together, supported by the Department for Communities and the Housing Executive, they provide just under 56,000 social and affordable homes.

Housing associations access private finance to effectively double the number of homes they could build with government housing association grant alone.

Housing associations also deliver high quality care and support to help people stay as independent as possible.

Working in partnership with other organisations, they also invest millions each year in community services and facilities.

Our sector employs more than 3,200 people and manages housing assets worth £4.5 bn.

NIFHA welcomes the opportunity to comment on this Welfare Mitigation Review - Independent Advisory Panel Survey

## PART 1: SETTING THE CONTEXT

The Independent Advisory Panel are completing a review of welfare mitigation payments. They are seeking feedback on the existing payment schemes and views on the need for new mitigation measures to complement the social security system.

## PART 2: CONSULTATION QUESTIONS

ARE THERE ANY AREAS OF THE SOCIAL SECURITY SYSTEM WHERE THE NORTHERN IRELAND EXECUTIVE OUGHT TO USE ITS OWN BUDGET TO MAKE CHANGES TO THE BENEFIT SYSTEM?

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### HA<sub>1</sub>

Inflation and the cost of living rising steadily - the rate of Universal Credit (UC) should be increased, removing the £20 uplift at such a critical stage in the Pandemic was an extremely unfair decision.

Legacy Benefit levels were never increased in response to the Covid 19 crisis which was extremely unfair. The rate of pay for these benefits should also be raised to at least the level that was in place for UC claimants as a result of the £20 uplift.

Claimants who are in receipt of severe disability premium (SDP) who have a change of circumstances and must move onto UC should be mitigated the full amount of the SDP for those impacted. Transitional Payments currently in place do not provide enough financial protection and are subject to the harsh 'eroding system'.

Housing Benefit – reinstate the higher rate of the additional earnings disregard. This was increased to £37.10 during the pandemic but has since been reduced again to £17.10.

Housing Benefit - Increase the personal allowance for those who have reached state pension age, this was reduced by £14 p/w in April 2021.

Improve rate of payments provided through Discretionary Support.

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#### HA<sub>2</sub>

The NI Executive should consider using its own budget to ensure that the loopholes in regard to bedroom tax and benefit cap are covered for all those in receipt of these mitigations.

In addition, finances should be made available to those who have found themselves in arrears due to delays in UC and rates assessments as well as when errors have been made when these assessments have taken place.

The NI Executive should consider re-instating the £20 that has been taken away from those in receipt of UC.

Discretionary support could be extended as a means of supporting people who are in receipt of benefits, especially when they are seeking housing costs to ensure that they do not find themselves in arrears. Consideration should be given for financial support to those individuals who have been impacted by overpayments in regard to welfare supplementary payments.

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#### HA<sub>3</sub>

The Executive could introduce a mitigation payment for Rates Rebate (RR) where there is a drop in income during the year. At present the award is fixed for one year. If a tenant has a partial award and their income falls the Rates Rebate claim is not reassessed to take account of the reduced income. This causes our tenants hardship and arrears of rates. The claim is only reassessed at the anniversary of the claim.

If a tenant is employed and paid every 4 weeks there is 1 month in the year where 2 wage payments are taken into account for 1 Assessment Period. This often causes no award of UC for that Assessment Period. These tenants experience hardship and they can easily fall into rent arrears. If the tenant is paid monthly there is legislation allowing UC to transfer 1 of the 2 payments to the next Assessment Period. Our tenants who are paid every 4 weeks do not have access to this legislation and this could be viewed as discrimination and a social policy issue. A solution would be to amend the legislation to include those tenants paid every 4 weeks or give these tenants entitlement to a mitigation payment for that month each year when 2 wage payments are taken into account in 1 Assessment Period. There is a similar problem for tenants who are paid every 2 weeks. For some Assessment Periods 3 wage payment will be taken into account. This can cause a nil award of UC for that Assessment Period. This puts these tenants in a similar position to tenants paid every 4 weeks. To prevent hardship and accrual of rent arrears these tenants need access to a change in legislation or a mitigation payment for the months where 3 wage payment are taken into account. A similar issue exists for tenants who are paid weekly. They have 4 wage payments taken into account for each Assessment Period. For some Assessment Periods 5 wage payments are taken into account. These tenants also need access to a change in legislation or a mitigation payment to alleviate hardship and rent arrears for those Assessment Periods where 5 wage payments are taken into account for assessment of UC.

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#### HA<sub>5</sub>

Increasing the amount of money paid to claimants on basic benefits in Northern Ireland by creating a universal minimum income floor which would be unsanctionable thus reducing homelessness.

Considering scrapping of the Bedroom Tax/Benefit Cap system in Northern Ireland and replacing temporary mitigation measures with a permanent solution given the shortage of suitable social housing

Scrapping the Rate Rebate scheme for UC and replacing it with the system that tracks claimants' circumstances in real time (and not once a year like it is now).

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#### HA7

The length of time that Rate Rebate can be backdated should be extended from 3 months to 6 months, this would help reduce the risk of tenants getting into difficulties with rent arrears because of not claiming in time. Due to confusion and the complexities of the current RR scheme, this extra room for manoeuvre would allow social landlords time to identify tenants who have not made a claim.

A reduction in the rate rebate taper to match the reduction in the UC taper would keep the Rate Rebate scheme in balance with UC.

Rate Rebate should be reassessed if you have a change of circumstances, it's common for people to receive extra income in the first month that they are assessed for Universal Credit, especially if they have stopped working and are waiting for a final payment of salary. However, the rates system will only review the information regarding income once a year and won't review a claim if the income has reduced. Unfortunately, this can mean that tenants get less help with rates for a full year, even if they are unemployed for the whole period.

The reduced rate for UC claimants under 25 seems arbitrary, especially for those living independently. They face the same costs as someone over 25 and it is hard to see how the decision to award them less is not reductive. Any help the executive could give to mitigate this difference in payment would be fair and welcome.

THE PANEL ARE INTERESTED IN YOUR EXPERIENCES INCLUDING FOR EXAMPLE, HOW THE SYSTEM CAN BE IMPROVED, THE LEVEL OF PAYMENTS, HOW TO HELP PEOPLE WHO RECEIVE SOCIAL SECURITY BENEFITS MOVE INTO PAID WORK, OR PROGRESS TO BETTER PAID WORK, THE SYSTEMS FOR ESTABLISHING ENTITLEMENT TO BENEFITS INCLUDING DISABILITY BENEFITS AND ANY OTHER ISSUES OR SUGGESTIONS YOU HAVE.

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#### HA1

The 5-week wait for first payment of UC should be removed.

Universal Credit Contingency Fund should be administered through UC, many claimants opt to take out an Advance Payment of UC rather than apply for the UCCF not realising the Advance Payment is a loan. Could UC advisers first offer the UCCF and provide details of how to apply for this? Claimants arguably are not being granted enough money to live on for 5 weeks through the UCCF.

There should not be a 3 month wait (or longer) before a claimant can receive payment for the limited capability for work and work-related activity (LCW & WRA) component of UC. Where eligible on ESA, a personal allowance is paid from date of claim until the person's case has been assessed. Could a similar system be designed through UC? People who are unfit for work are suffering as a result of this.

Could it be made clearer on UC the need for the claimant to provide a fit note to determine when the LCW & WRA starts to prevent further unnecessary delay. Would it be possible to add a warning box

on the UC application/UC journal and NI Direct indicating that claimants could be financially worse off if they don't make it clear at the start of their claim if they aren't well enough to work?

People who are on ESA and move to UC asked to complete UC form even if they have recently completed ESA50 form, could both UC and ESA communicate to prevent this undue stress and unnecessary extra work for the claimant?

Improve the process for claiming childcare costs through UC. Reports of payments being missed and that is very difficult for parents to keep on top of this to ensure they are receiving the correct amount of support for childcare through UC.

In terms of the Housing element of UC, arguably there should not be the need for a separate claim for Rates Rebate to be made outside UC. The Rates Rebate claim should be designed to be incorporated through UC. Missed claims and general huge delays with Rates Rebate cause rent arrears.

The unacceptable delay in UC administering SSSC mitigation payments to landlords. These often take months to put in place which paints an inaccurate picture of the rent account. Furthermore, UC often fail to stop SSSC mitigation payments when a claimant is no longer entitled to them, this can cause arrears to build up.

More awareness brought into place of the existence of the overpayment recovery waiver system and how to seek one – evidence suggests very little UC official error overpayments are actually written off.

The reintroduction of the sanction regime through UC is concerning given the rising cost of living – will this always be used as a last resort?

Re-opening of 'digital zones' at the Job Centre so claimants without internet access can make a claim for UC.

UC info on NI Direct homepage, could more information be added to the top of each page for example, what to do if you're UC housing costs element isn't enough to pay your rent, what to do if you need help with rates, what to do if you need help with health costs, such as eye tests/glasses/dental treatment.

The Discretionary Support application process is unnecessarily long and complicated particularly for people coming from a homeless situation into a new build property. Often the awards granted also do not cover the costs of moving into a new home. We are hearing reports of different advice given by discretionary support advisers on what exactly discretionary support covers which is very confusing and can generate unfair outcomes.

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## HA2

Having to apply for rates separately from UC is very confusing for applicants and it should be a more streamlined one application approach with government departments working more collaboratively rather than leaving the onus completely with the applicant.

The current system is causing tenants to go into rent arrears due to the constant delay in rates and the payment streams coming in at different times which can be confusing for tenants and for housing staff having to monitor rent accounts and more staff time taken in managing rent accounts.

There is a need for more joint up working between social security agency and the voluntary sector in supporting claimants back into work at times there can be duplication and conflicting information.

Waiting times for new applicants of benefits are lengthy resulting in people borrowing money from unregulated lenders, getting into debt at extortionate interest rates, reliance on foodbanks, charities etc. When payments are made, the rates of these payments are not enough for people to realistically live, particularly since the withdrawal of the additional £20 per week payment made during lockdown. Withdrawal of this has resulted in people getting further into debt and poverty.

Better systems and rewards are needed in fair pay for those entering into employability schemes and apprenticeships etc

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### HA3

We have found in most cases our tenants are willing to claim help with their rent through UC. However, many tenants do not make a claim for help with their rates. This can be a substantial problem and forms a considerable percentage of tenant housing debt. Entitlement to RR is linked to entitlement to UC, however, a claim for UC and RR requires 2 separate claims. The UC online application form could be amended to a default position where a claim for RR is opened unless the tenant opts not to claim. The option to opt out of the claim for RR could be included under the tab where help with housing costs is claimed. A question could be included 'Do you want to claim Rates Rebate for help with your rates?' If the answer is 'YES' the tenant's details are sent automatically to LPS for assessment of the claim. If the answer is 'NO' the tenant is advised they will need to make arrangements themselves to pay their rates and non-payment of rates could result in loss of their tenancy.

The department could consider subsidising routes to paid work or routes to better paid work, e.g., help with the cost of driving lessons, help with the cost of digital capability classes, classes aimed at debt management and enhancing employability. Regarding access to work the department could forge closer links with the local non advanced education colleges, e.g., the department could encourage participation in education and collaborate with colleges to host open days specifically for benefit claimants. An open day could be held once each semester as opposed to once each academic year.

Regarding establishing entitlement to disability benefits the department could develop one assessment process for all disability benefits. One assessment could be employed to establish entitlement to all disability benefits the claimant could make a claim for. This would eliminate the need for an assessment for each disability benefit. A separate assessment for entitlement to PIP, ESA and AA would not be needed.

Regarding uptake of unclaimed benefits, when a claimant over 65 makes a claim for state retirement pension this could trigger the department to make an assessment of all available benefits. The claimant could be offered a benefit entitlement check regarding additional entitlement to Pension Credit, Attendance Allowance, Housing Benefit and Carer's Allowance. The effect and ramifications of each application could be explored with the claimant and they could be helped to make the claim. This process could be extended to include all claimants regardless of their age. If they make a claim for any benefit, they could be offered an in-depth benefit entitlement check with assistance to claim any additional entitlement. Regarding provision of benefits advice, the department could establish closer links with and liaise with the advice sector and social housing providers' Welfare Rights Officers to tap into expertise that already exists. This work could even be contracted out to advice agencies, social housing providers and to individual advisers working on a self-employment basis. These solutions could run in tandem with the department's 'Make the Call Service' which could be developed along the lines described above. The process could include identification of additional supports required e.g., debt advice for claimants who need this assistance, help with applications for charitable grants where the client has exhausted all other avenues of assistance i.e., discretionary support. Provision of food vouchers could also form part of

the supports offered. As already stated there could be referrals to classes offering training/information on digital capability, financial capability, and employability.

In order to maintain and improve the quality of advice across the advice sector and the department's 'Make the Call Service' the department could collaborate with the advice sector/Money Advice Service (MAS) to develop and offer additional training and recognised qualifications to advisers working within the sector. An equivalent registration criterion to that attained by debt advisers could be developed for generalist/specialist benefit advisers.

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#### HA4

Difficult for people with disabilities and anyone with a mental health illness, learning difficulty and dyslexia trying to access a fresh application of universal credit from housing benefit has been challenging. As a housing officer helping claimants of universal credit switch from housing benefit the main difficulty would be communication. Claimants would not have access to a computer or have an email address. They did not have any digital skills and prefer face to face communication or by telephone. When signing a new tenant either a transfer or an applicant there has been little engagement between universal credit staff and an applicant who is computer illiterate who must communicate by phone. During the pandemic users experienced a major stumbling block and in particular their capacity to try and deal with a change in how they were going to receive their payments. Trying to obtain help and support by the telephone switchboard at the jobs and benefits office and the helpline was very difficult. Trying to speak to the correct person to help with a claim unfortunately the switchboard was not user friendly and was disconnecting many times. When claimants clicked on to suggested number the line either went dead or the call returned to the main message. This problem caused frustration, time consuming and the claimant was unable to get any help. On the other hand, once claimants eventually got speaking to the correct person, they were able to assist the claimant.

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#### HA5

We would recommend scrapping the UC 5 weeks assessment waiting time as a lot of claimants are not able to afford leaving the Tax credits legacy system with regular weekly payments including support for the childcare costs and applying for UC system which is sometimes more generous (example) claimant in part time work.

We would also like to increase the level of basic benefits across the board as they have been frozen for several years now and claimants are struggling to survive given the level of inflation, fuel, and energy costs.

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#### HA6

The UC system is complex for those who are vulnerable We have found that the initial five-week wait for the first payment has already driven tenants into debt and they subsequently face difficulties trying to catch up with household bills and mounting arrears on rent accounts. We feel that the system could be better streamlined if tenants were able to opt into a Rates Rebate Application at the point of applying for UC and confirmations that this has been actioned.

The current Rates Rebate (RR) System is unfair for claimants with the delays in processing claims and the unfairness of the fixed award particularly where there is a drop in income during the year and the claim is not reassessed to take account of the reduced income.

This as other Housing Associations have indicated causes increased debt for claimants and may also involve legal action for arrears. We feel that as with the assessment of other benefits the Rates Rebate award should be reviewed to consider any change in circumstances.

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## HA7

There are problems with the UC contact centre, upon initially being connected one must listen to various recorded messages, select multiple options and go through an automated verification system. At the end of this you can be disconnected before even being put in a hold queue. Talking to a human is the only way that vulnerable tenants with a phone claim can check/update their account. Many can give up or get very frustrated while trying to get through, especially those with mental health problems and learning difficulties. A separate phone line for users on phone claims should be considered.

Furthermore, the automated verification system seems to lack reason. It claims to allow the person who answers the phone to have the client's case open in front of them when taking the call, this has not once been the case when using the service. Indeed, whoever answers the phone needs to verify the caller when they answer and has no prior notification of who is making the call. In its current state the automated verification system seems to have little purpose other than to frustrate clients and advisers alike, perhaps in the hope that they give up and do not use the service?

There are a lot of jobs that UC claimants are obliged to apply for that are categorically unsuitable. Their suggestion seems to be automated rather than considered. For example, claimants being asked to apply for delivery jobs with no driving licence. Some care should be given to the types of jobs suggested to different claimants, disillusionment with the system can arise that may keep claimants on the UC system longer. For example, I have clients with health problems who would be receptive to certain types of work but have sought to be added to the LCW or LCWRA groups to avoid being strongarmed into applying for work that would be deleterious to their health.

UC remains a very inflexible system, mistakes made, or untimely submission of applications can only be backdated to one month despite the circumstances. This can leave the most vulnerable or those who have received poor or incomplete advice/assistance (oftentimes from JBO staff) in debilitating debt and arrears.

THE PANEL ARE ALSO INTERESTED IN WHAT YOU THINK ARE PRIORITIES WE SHOULD CONCENTRATE ON. THE SOCIAL SECURITY BENEFITS WE ARE LOOKING AT INCLUDE

- JOBSEEKER'S ALLOWANCE (INCOME BASED)

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## HA5

increase the amount as £73 weekly is too little to live on

- EMPLOYMENT AND SUPPORT ALLOWANCE (INCOME RELATED)

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## HA5

increase the amount as £73 weekly is too little to live on

- INCOME SUPPORT
- CHILD TAX CREDIT

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## HA2

The two-child rule to Child Tax Credit should be abolished. Not making a payment for any further children beyond two results in families experiencing further financial struggles and poverty. This aspect of tax credits is also a prohibitor in terms of incentives to enter employment for those with

more than two children in the family. The exemption whereby a payment can be made for a third child if it is said this child has been conceived through rape can result in a precarious circumstance for those women and for staff in agencies who become aware of this, because current legislation in NI can hold a person criminally accountable if they are aware of a crime having been committed and have not reported on to Police

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HA5

100% of the childcare costs covered to enable people into better work

- WORKING TAX CREDIT
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HA1

Reinstate £20 uplift which was available April 2020/21

- HOUSING BENEFIT
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HA1

Reinstate higher additional earnings disregard

- DISABILITY LIVING ALLOWANCE
  - PERSONAL INDEPENDENCE ALLOWANCE
- 

HA1

Improve the assessment process to prevent harsh decisions preventing claimants from getting PIP

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HA2

Claimants for PIP that have been rejected, and then found themselves having to challenge that decision, often 'in the dark', and on multiple occasions, while not knowing what evidence has been requested and relied upon to assess their entitlement the level of communication is poor.

Claimants face huge uncertainty throughout the process over who is responsible for providing further evidence, what evidence has been obtained and whether or not it has actually been considered as part of the decision to award benefit. The level of communication with claimants needs to be improved.

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HA5

Improve the quality of decision making with greater emphasis on the medical evidence.

- ATTENDANCE ALLOWANCE
  - CARER'S ALLOWANCE
  - CHILD BENEFIT
  - STATE PENSION (BASIC OR NEW)
  - SURE START MATERNITY GRANT
  - PENSION CREDIT
  - UNIVERSAL CREDIT
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HA1

See above comments

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### HA2

The rent element of Universal Credit can result in rent arrears and people may face losing their homes, due to the low scale of welfare payments and people unable to budget with already low incomes, putting them at risk of not paying their landlord. The system of Housing Benefit being paid directly to the Landlord works much better, meaning that those who are already faced with poverty are not tempted to rely on a rent element payment to put food on the table

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### HA3

General comment- Regarding all benefits, the claiming process could be streamlined. It should be possible to claim all benefits online. A portal similar HMRC's Gateway Account could be developed. All claims could be completed on the portal and the department could communicate directly with the claimant through their portal. This could be a development of the current system in place for UC claimants. The claimant could log on to their portal and have access to all their benefits. They could see immediately if there are issues with any of their entitlements.

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### HA5

Reinstate £20 top up

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### HA6

Reinstate £20 uplift which was available April 2020/21

Communication with all stakeholders including claimants and Housing Association staff to address any ongoing operational difficulties

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### HA7

I believe UC should be the priority for your consideration. The vast majority of new applications for social security involve UC (and the associated RR scheme) and the problems discussed above are of immediate concern.

Carer's Allowance may also be a priority given the changing demographics of the population. The amount paid is derisory for claimants who are keeping family and friends out of care-homes or institutions. The balance on what is saved by these people's work should be remunerated to them at a higher rate or they may not be able to continue in their roles.

PLEASE ALSO TELL US WHETHER YOU ARE A CLAIMANT, SOCIAL SECURITY ADVISER OR WHAT OTHER INVOLVEMENT OR INTEREST YOU HAVE IN THE SOCIAL SECURITY SYSTEM. I AM A CLAIMANT, AN ADVISER, OTHER (PLEASE SPECIFY)

HA1 I am a Welfare Advice Officer employed by a Housing Association.

HA2 I am a Housing Officer for a Housing Association

HA3 I am a Welfare Rights Officer working with a Housing Association.

HA4 I am a Housing Officer for a Housing Association

HA5 I am a Social Security Adviser for a Housing Association

HA6 I am a Housing Manager for a Housing Association

HA7 I am a Social Security adviser for a Housing Association

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