

Department for Social Development consultation on the service design of plans for the Provision of Discretionary Support

Response from the Participation and the Practice of Rights organisation

Participation and the Practice of Rights (PPR) organisation provide tools and support to marginalised groups actively asserting their right to participate in economic and social decisions which affect their lives.¹ PPR currently works to support a range of groups affected by issues with, for example, social housing, mental health service delivery and more recently long term unemployment and welfare support. It is on the basis of our work with people on the latter of these issues and support for the Right to Work: Right to Welfare group² that PPR wish to make the following comments.

Overriding concerns

The proposals for the provision of a new Discretionary Support system will replace the current system of community care grants and crisis loans and will seek to provide support to the “*most vulnerable living on low incomes, who find themselves in the most exceptional, extreme or crisis situations*”.³ Indeed, the proposals further detail that;

“...this new service has been designed to meet the needs of the people of Northern Ireland in a way that complements and strengthens the Executive’s efforts to tackle poverty and protect those who are most disadvantaged in our society.”⁴

Despite this however, there is no meaningful consideration of the likely impact that the changes detailed here will have on these most vulnerable.

Equality

The current proposals have been subject to an initial equality screening by the Department for Social Development and have been ‘screened out’ from requiring a more extensive Equality Impact Assessment. The reasoning for this is that;

“..the new provision will assist a wider range of customers than the current Social Fund Scheme and it is not possible to accurately predict the composition of the new customer base in advance of implementation.”⁵

The Equality Screening form itself notes that the Social Security Agency does not capture information about the following aspects of the people who currently use the Social Fund and thus are likely to be impacted; religious belief, political opinion, racial group, sexual orientation and whether they have dependents or not. Furthermore, the Department has recorded likely impact on these groups as either ‘none’ or minor’. Failure to collect this

¹ For more on PPR, please visit www.pprproject.org

² For more on the Right to Work : Right to Welfare group, please visit <http://www.pprproject.org/content/right-work-right-welfare-group-sets-indicators-and-benchmarks-and-gets-ready-launch-campai-0>

³ Page 8

⁴ Page 2, Ministerial Foreword

⁵ Page 31

information, and only the most cursory of analysis of alternative information in their stead, will make it more difficult for the Department to carry out its duty under section 75(1) of the Northern Ireland Act 1998 to have due regard to the need to promote equality of opportunity. The current Guidelines for Public Authorities in carrying out the statutory duty points out the following;

“As a first step in the screening exercise, public authorities should gather evidence to inform screening. The absence of evidence does not indicate that there is no likely impact...If a public authority having taken reasonable steps to obtain relevant data concludes that none is available, it may then wish to consider subjecting the policy to an equality impact assessment.”⁶

The consultation notes that certain groups of people are to be excluded from eligibility from claiming Discretionary Support;

- *“ Young offender, someone in prison or on temporary release*
- *Member of a religious order*
- *In Full time education*
- *Full time student*
- *Person from abroad*
- *Involved in a trade dispute*
- *Under a sanction applied by JSA, ESA or UC”⁷*

Despite the serious impact exclusion from eligibility is likely to have on these groups, many of whom are already very vulnerable, there is no assessment of whether certain section 75 categories are more represented than others in each of these groupings and thus likely to be more impacted.

The consultation further concludes that *“the impact of the proposed new provision on Section 75 groups will be monitored post implementation to identify any adverse impacts and appropriate mitigation as required.”⁸*

Again, Guidelines issued by the Equality Commission advise against such an approach, stating that;

“To undertake screening after policy proposals have been developed may be inefficient in terms of time and may be ineffective if policy makers are reticent to make changes at a later stage.”⁹

PPR strongly recommend that given the likely impact these proposals will have on the most vulnerable as well as the changes to the administration of Social Security Agency support funds, the proposals are paused until appropriate Equality Impact Assessment procedures can be carried out ensuring that equality of opportunity is promoted in line with the Department’s statutory duty.

The pace of change

⁶ Equality Commission for Northern Ireland (April 2010) A Guide for Public Authorities, p.52

⁷ Page 40

⁸ Page 31

⁹ Equality Commission for Northern Ireland (April 2010) A Guide for Public Authorities, p.52

Linked to PPR's concerns around the Department's obligations to promote equality, PPR also wish to highlight alarm in regards the pace at which these proposals for change are being pushed through. At various points in the consultation, the Department state that the system will go live in an incomplete form, for example, the following is stated;

*"The timescales are challenging to have a new provision in place and it is possible that we will not be able to deliver all elements of the service in time for implementation. For example, the Social Security Agency intends to deliver a pilot exercise in a small number of offices to test providing goods (white goods, furniture etc) instead of cash payments. The arrangements needed for this type of service will not be in place for go-live of the new provision."*¹⁰

PPR are concerned that the Department's insistence on pushing ahead with the system without ensuring that all necessary components are in place could give rise to unnecessary confusion, distress and could allow people to fall through the cracks thereby undermining the stated purpose of the system to help the most vulnerable.

Specific comments

Provision of goods

The proposals state that the Department is seeking to dispense *"the lowest amount of money to meet the need...to make the most effective use of the budget for the service."*¹¹ Whilst PPR recognise the need to make appropriate and effective use of public monies it should be pointed out that often times the lowest price good is not necessarily representative of the best value for money. Furthermore, when this proposal is read in line with proposals for eligibility for loan awards which state that no repeat applications for the same item within twelve months will be considered¹² it is clear that buying the cheapest and not the most effective equipment will mean that if this equipment fails within the first twelve months, as is likely, no support will be available.

The proposals under this theme also state the Department's intention to move to a system whereby goods are provided directly to people instead of cash payments. Benefits from this proposal are that in doing so *"it can be ensured that the customers immediate need is met directly"* and that *"by agreeing a bulk contract to supply goods we will be able to benefit from competitive discount arrangements that will maximise the impact of the funding available for the service"*.¹³

PPR are concerned about the potential to further stigmatise the most vulnerable by providing goods instead of cash payments for goods and would encourage the Department to ensure the proposals do not serve to further entrench marginalisation, but rather work to alleviate it. Moreover, by removing the cash payment option, the element of choice of product (even a choice limited by financial constraints) is taken from the loan applicant, this may result in the provision of goods not suitable for the particular applicant and their family. The needs of those using the service must be the barometer against which the current proposals are measured against.

¹⁰ Page 10

¹¹ Page 13

¹² Page 22

¹³ Page 13

Maximum loan threshold

The proposals suggest a reduction in the maximum loan threshold, i.e. the level of debt a person can be in and still be eligible to apply for discretionary support, from £1,500 to £1,000. The threshold has been reduced in order to *“promote responsible borrowing, avoid customers having to pay back more than they can afford and to encourage customers to budget for essential one-off larger requirements”*.¹⁴

From available data this will mean that approximately 21% of existing Social Fund users with debt in excess of £1,000 will no longer be eligible for further support in the form of loans.¹⁵ However, it is unclear as to what the Department would propose those now ineligible to apply for support in this form should do in the case of emergency. It is disappointing that the Department’s stated emphasis on supporting people is demonstrably absent in this case.

Whilst it is encouraging that the Department wish to encourage responsible borrowing, it must also be recognised that curtailing interest free government loans will not remove the need to borrow money without support. What in effect it will likely achieve, is a rise in the use of people resorting to payday loans and loan sharks which will have a documented and destructive impact on the finances of the most vulnerable.

Income threshold

The current Social Fund restricts community care grants to people on income-based benefits though anyone can apply for a crisis loan. The proposals listed in the current consultation seek to change this to assess entitlement by using applicants’ income levels rather than by qualifying benefit.

The proposed income threshold (the level at which the claimant’s income cannot be in excess of for eligibility) is the National Minimum Wage and it is intended that the applicant’s income and the income of their spouse will be used to determine if the income level has been exceeded. It is proposed that a number of benefits will be disregarded when calculating income.

PPR strongly view the decision around income thresholds as requiring an assessment of the impacts upon those in poverty. The National Minimum Wage for example is currently set at the following;

- £6.19 - the main rate for workers aged 21 and over
- £4.98 - the 18-20 rate
- £3.68 - the 16-17 rate for workers above school leaving age but under 18
- £2.65 - the apprentice rate, for apprentices under 19 or 19 or over and in the first year of their apprenticeship¹⁶

It has and continues to be subject to criticism that it does not correlate more closely with the actual cost of living. Movements which advocate for a wage more in line with the cost of

¹⁴ Page 39

¹⁵ Page 14

¹⁶ <http://www.nidirect.gov.uk/the-national-minimum-wage-rates>

living and therefore capable of ensuring people do not fall into poverty are increasingly being recognised as best practice.¹⁷

Given the fact the Department has not yet finalised the income threshold¹⁸, PPR feel strongly that the Department should assess any potential thresholds in terms of their potential to help those in or at risk of poverty.

Review

PPR wish to highlight to the Department the importance of both an effective review process and one which is accessible. Recent research carried out by the Right to Work: Right to Welfare group points to problems within the review process as administered through the welfare support system in general with 64% of those surveyed indicating they didn't have enough information about how to appeal.¹⁹ Any changes to the system, as well as to the review system must be communicated in an appropriate and accessible manner to those using the system.

Furthermore, a crucial element of the current review system is the opportunity to have the decision reviewed by an independent review body, in this case, the Office of the Social Fund Commissioner for Northern Ireland which is due to close in July 2013. PPR are concerned that the current proposals will go live without a replacement external review function in place and urge the Department to pause their plans until appropriate review and accountability mechanisms are in place.

Eligibility

PPR's work with the Right to Work: Right to Welfare group has evidenced several concerns with the Department's proposals for those groups of people who will be ineligible to apply for support. For example, people excluded from claiming discretionary support will include those under a sanction applied by Jobseekers Allowance, Employment Support Allowance or Universal Credit.

Qualitative evidence gathered during the course of this research has indicated that it is precisely in the event of a sanction that an application for support from the Social Fund becomes a safety net position for people facing destitution. Removal of this support will have a massive effect on people receiving sanctions. This is especially significant when one assesses the numbers of people receiving sanctions. Through a Freedom of Information request, PPR have evidence which states that in the last year in Northern Ireland 3249 people on Jobseekers Allowance alone have been sanctioned. On closer inspection, however, it is clear that not only are the numbers of people being sanctioned high but the numbers of sanctions in each area also differ dramatically, for example, the Corporation Street Social Security office in North Belfast sanction level last year was over three times the NI average at 256. Thus, it is quite clear that decisions around sanctions are being made on an arbitrary basis and depending on a person's address they may be more or less likely to be sanctioned and thus lose eligibility for provision under the discretionary support system.

¹⁷ See www.livingwage.org.uk

¹⁸ As indicated on page 39

¹⁹ <http://www.pprproject.org/sites/default/files/RTW%20INDICATORS.pdf>

PPR request that in light of this, and the gaps in the data collected under section 75 and the subsequent impact on the most vulnerable the Department review their proposals in light of eligibility.

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