

## WHO ARE WE?

The Cliff Edge Coalition NI is a group of over 100 organisations from across Northern Ireland who have come together to highlight their shared concerns about the potential 'cliff edge' of the end of the welfare reform mitigations in March 2020, and their fears about a range of new welfare challenges which have emerged since the original mitigations were introduced.

## WHAT ARE THE WELFARE REFORM MITIGATIONS?

In 2015, Northern Ireland made the decision that people here should be protected from the harshest impacts of welfare reform. The NI Executive, through the Fresh Start Agreement, committed £585 million over four years to the welfare mitigations package. This has meant that people have been protected from a range of welfare reforms, including the 'bedroom tax' and benefit cap, through the provision of Welfare Supplementary Payments. The positive impact of the mitigations will be lost unless steps are taken to deal with the 'cliff edge' at the end of March 2020.

## KEY MESSAGES

- The Cliff Edge Coalition is **urgently calling for welfare reform mitigations to be extended beyond March 2020 and strengthened to take account of new challenges people are facing, particularly Universal Credit (UC).**
- The extension and strengthening of the mitigations package **urgently requires legislation to be passed by Westminster, or by the NI Assembly should it be restored.**

## WHY IS IT IMPORTANT THAT THE MITIGATIONS **CONTINUE** BEYOND MARCH 2020?

The positive impact of the welfare reform mitigations has been acknowledged in reports by the [Northern Ireland Audit Office](#), the [Northern Ireland Human Rights Commission](#), the [Northern Ireland Housing Executive](#) and the [Westminster Work and Pensions & Northern Ireland Affairs Committees](#).

In the Work and Pensions & Northern Ireland Affairs Committees' Joint Inquiry Report, MPs warned of the potential "*drastic impact on vulnerable people*" in NI if the mitigations end. It has been estimated<sup>1</sup> that:

- Up to 1,500 families affected by the benefit cap would lose an average of £168 per month.
- Up to 34,000 households affected by the bedroom tax would lose an average of £50 per month.
- Furthermore, in 2018/19, up to 29,000 disabled people received a Welfare Supplementary Payment totalling over £34 million.<sup>2</sup>

**69% of people unaware their bedroom tax Welfare Supplementary Payment is due to end in March 2020<sup>3</sup>**

## WHY IS IT IMPORTANT THAT THE MITIGATIONS ARE **STRENGTHENED** TO REFLECT NEW CHALLENGES?

In 2015 when the mitigations package was agreed, the immediate challenges were protecting people in NI from the impact of the 'bedroom tax', the benefit cap and the transition from DLA to PIP. Since then, Universal Credit has rolled out across NI and presents

<sup>1</sup> References taken from Department for Communities, '[Review of Welfare Mitigation Schemes](#)' March 2019

<sup>2</sup> Department for Communities 'Annual Report, Welfare Supplementary Payments 2018/2019' October 2019

<sup>3</sup> Department for Communities '[Welfare Reform \(NI\) Claimant Baseline Surveys](#)' January 2019

new challenges and circumstances. There is now opportunity to take account of the new challenges people are facing.

NI specific mitigations should be developed to address new challenges including:

### Universal Credit

- The 'Five week wait' before people receive their first UC payment has led to a steep rise in arrears and reliance on foodbanks.
- It has been estimated that the number of households on UC in NI will increase by more than six-fold once all existing legacy claimants migrate over to Universal Credit by 2023.<sup>4</sup>

### Universal Credit Two-Child Limit

- The child element of Universal Credit is replacing Child Tax Credit, which prior to April 2017 was available for all children in low income families. Third (or additional) children born after 6 April 2017 now only qualify for Universal Credit support in a small number of exceptional cases.
- Families unable to claim UC for a third, or additional child, will lose out on £2,780 per year.
- This will result in 300,000 more children being in poverty across the UK by 2023-2024, with 9,000 affected children living in NI.
- NI will be disproportionately affected by the UC two-child limit given the region's larger family sizes compared to GB.

**24.2% of children in NI stand to be affected by the two-child limit, compared to a UK average of 21.6%**

### Local Housing Allowance cuts in the Private Rented Sector

- There are significantly more households at-risk-of-poverty after housing costs in the private rented sector in NI than in the social rented sector.
- Successive cuts to housing benefits, paid at the Local Housing Allowance rate, mean that almost 9 out of 10 of private rental properties in NI are out of reach for people receiving housing benefits.
- Since 2009, there has been a 75% reduction in properties available to rent for households who rely on housing benefits to cover the cost of their rent.

### WHY IS LEGISLATION NEEDED NOW?

- If legislation is not passed the **Department for Communities (DFC) cannot extend or strengthen the mitigations in their current form.**
- In the absence of a NI Assembly, the Westminster Northern Ireland Affairs and Work and Pensions Committees jointly called on the **UK Government to bring forward this legislation.**
- If legislation is not passed, **Discretionary Housing Payments (DHPs)** would likely be used as a last resort to mitigate the bedroom tax and the benefit cap. This option **should be avoided** as far as possible because:
  - DHPs are discretionary rather than automatic; they require an application and are not guaranteed.
  - The DfC have said it would be operationally very challenging.
  - The Westminster Committees warned this option would pose serious risks to claimants.

### FURTHER INFORMATION

To arrange a briefing, interview, or to obtain further information about the Cliff Edge Coalition please contact the Coalition's coordination team at Weber Shandwick (02890 347 300).

The Coalition's response to the Joint Inquiry into NI Welfare Policy can be accessed [here](#)

The Committee's report is available [here](#)

The Department for Work and Pension's response is available [here](#)

The Department for Communities response is available [here](#)

The Northern Ireland Audit office Report is available [here](#)

<sup>4</sup> By August 2019 there were 43,630 households on UC in NI. This number has is estimated to rise to 312,000 by March 2023.

