

# Women's Policy Group NI

## WPG NI Response to APPG on Poverty, Call for Evidence into the Inadequacy of Social Security

6th January 2023

Contact: Elaine Crory  
Women's Sector Lobbyist  
elaine.croory@wrda.net

### 1. Introduction

The Women's Policy Group (WPG) is a group of policy experts and practitioners who advocate collectively for women and girls by promoting gender equality through an intersectional feminist lens. We challenge systemic injustice and discrimination affecting women and girls by informing society and influencing policy and law. Our work is informed by women and girls' lived experiences and rooted in international human rights law.

The WPG is made up of women from trade unions, grassroots women's organisations, women's networks, feminist campaigning organisations, LGBTQ+ organisations, migrant groups, support service providers, NGOs, human rights and equality organisations and individuals. Over the years this important network has ensured there is good communication between politicians, policy makers and women's organisations on the ground. The WPG is endorsed as a coalition of expert voices that advocates for women in Northern Ireland on a policy level.

### 2. Context

Northern Ireland is one of the areas of the UK that experiences the most poverty. In many areas, that poverty is deep poverty; not short-term, or circumstantial, but multi-generational. It is also an area in which a thirty year conflict has left deep scars; these scars are seen in terms of disrupted, occasionally dysfunctional politics, but also in terms of high levels of emigration, higher rates of unemployment, poorer economic productivity and higher rates of mental ill health, trauma and disability. These factors all interplay to mean that the recent cost of living crisis has hit here worse than many other parts of the UK, as well as hit women worse than the rest of the population, as they are more likely to rely on benefits and to be "economically inactive" due to the high cost of childcare and relative lack of support to enable them to work, when compared with other UK regions.

With all of this considered, many parts of and many families within Northern Ireland were struggling before the cost of living crisis hit, not least as a result of welfare reform policies such as the introduction of the benefit cap and two-child tax credit limit. For many, these changes made the difference between making

ends meet and failing to do so, causing a shortfall and often driving them into debt. Once again; this disproportionately impacts women.

### 3. Evidence

The recent crisis has created a worsened situation. Data increasingly shows that it is no longer possible for the vast majority of people on benefits to make ends meet.

Research from the Joseph Rowntree Foundation indicates that, “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. This rises to 95% where deductions are being made, for example to repay debts to Government.”<sup>1</sup>

It also shows that, for all low-income households in the bottom 40% of incomes:

- 7.2 million households (62%) are going without essentials. This means that they have reported going hungry, or cutting down the size of meals or skipping meals in the last 30 days, or going without basics like showers or adequate clothing since June.
- 4.7 million households (41%) are in arrears with at least one household bill and the average level of arrears remains above £1,600.
- 4.3 million (37%) are going without essentials AND in arrears with at least one household bill, and
- Over 3 million households (28%) have not been able to keep their home warm since June because they couldn't afford to.

Action for Children<sup>2</sup>, who launched a Savanta ComRes poll, alongside LucidTalk in Northern Ireland, to gauge the levels of financial stress among families working either full or part time in Northern Ireland specifically, have found stark results:

- 53% of working parents in Northern Ireland are stressed about money concerns in the lead up to Christmas
- 97% have worried about money in the last six months, with 46% having worried “often”
- 71% have cut back on heating their homes
- over half (51%) have had trouble sleeping
- more than two-fifths (45%) have tried to hide their money worries
- nearly two-fifths (38%) have noticed their mental health worsen
- a quarter (25%) have become upset or stressed in front of their children, and
- two fifths (40%) have had an argument with a partner due to financial worries

Research by the Women's Regional Consortium into women living with debt in Northern Ireland<sup>3</sup>, has found that:

- 51% of the women had used high-cost credit with 6% borrowing through loan sharks including paramilitaries.
- 32% reported borrowing from friends/family.
- 19% had borrowed through Discretionary Support with many reporting issues with the application process/eligibility.
- 51% chose the lender because they knew they would get the money with only 2% choosing the lender because of the total cost of the credit.
- 60% of the women had difficulty meeting and/or missed debt repayments.
- 35% had to use a foodbank as a result of debts/making ends meet.

---

<sup>1</sup> <https://www.jrf.org.uk/report/going-under-and-without-jrfs-cost-living-tracker-winter-202223>

<sup>2</sup> <https://www.actionforchildren.org.uk/our-work-and-impact/our-work-around-the-uk/our-work-in-northern-ireland/>

<sup>3</sup> <https://www.womensregionalconsortiumni.org.uk/wp-content/uploads/2022/09/Women-Living-with-Debt-1.pdf>

- 44% said they had got into debt/worse in debt as a result of Covid.
- 60% of the women reported their debts had been impacted by rising energy and rising food prices, 75% reported their debts had been impacted by changes to social security.
- 72% said they were negatively impacted by being in debt, mainly around mental health/wellbeing, 47% said their children had been negatively impacted by their debts.
- It was clear that living on benefits or in low paid work often did not provide enough income for women to afford the essentials/meet household bills without resorting to debt.
- Issues with Universal Credit particularly the five-week wait and the repayment of Advance Payments causes financial hardship and encouraged debt.
- The rising cost of living is putting increasing pressure on women's budgets leaving them more vulnerable to debt as they struggle to make ends meet.
- Women often went without food, clothes and heat themselves to make sure their children were provided for.

#### 4. Consultation Questions

- **Purpose**

*To what extent are current levels of social security benefit rates effective in achieving that aim and in alleviating poverty?*

Quite simply, they are not helping to alleviate poverty, in fact they seem designed to do the opposite of this. As the evidence above shows, the knife-edge living that many are obliged to do while on social security benefits means that the smallest unexpected expense can be a crisis. With this borne out by the evidence, there should be no surprise that the current crisis, which represents much more than one unexpected expense, has devastated families' finances.

- **Adequacy**

*To what extent do you think families and individuals receive enough from the social security system to meet their needs?*

As the evidence above shows, they do not. Some people are particularly impacted by the paucity of social welfare benefits, for example the disabled, lone parents, young people on lower levels of benefits, but to suggest that anyone's needs are fully met by the social security system at the moment seems to be a stretch; the data shows that the majority of those in receipt of benefits are going without essentials.

*How should we decide on an adequate level of social security entitlement? (Distinct from the uprating process)*

At the most basic level, an adequate level of social security entitlement has to be sufficient to enable people to afford the absolute essentials, something that the evidence above tells us it is not providing at present. An appropriate approach would include benchmarking the costs associated with meeting that basic standard, and setting social security benefits accordingly. This will need to take account of the differing costs of housing and energy across the UK, for example, but also of the ways in which some benefits have not been assessed against the cost that they are meant to cover for several decades.

*How well does the current level of social security entitlement meet the needs of claimants?*

Quite simply it does not meet claimants' needs, and there is evidence to show that rather than alleviate poverty, the social security system can in fact turn a temporary crisis into deep, inescapable poverty. Evidence above demonstrates that claimants are often driven into debt to meet the most basic of needs such as food, shelter and adequate heating. If the system was properly designed to cushion the blow of, for example, temporary loss of employment, then the system would be responsive to the realities that are involved in seeking new employment and enable people to do this. Instead, we have a system which makes it nearly impossible to afford the broadband connection needed to search for jobs and the travel and/or childcare costs to attend interviews. This inevitably contributes to longer term unemployment, increasing the

likelihood of debt and, with every month that passes, making deep poverty more likely and escape more and more difficult.

*We're interested in receiving information about all demographic groups (other than pensioners, who will be the subject of a later inquiry) regardless of employment status and including the position of disabled people and survivors of domestic abuse.*

The Women's Policy Group especially seeks to represent the views and concerns of women in Northern Ireland as such our work focuses on the experience of women, including the impact on their children where relevant. We know that the series of reforms to the welfare system and cuts to certain entitlements, most particularly the Child element of Tax Credits, has had a particularly profound impact on women across the UK. The evidence gathered above includes research by the Women's Regional Consortium in Northern Ireland on women and debt which, as outlined above, faces particular challenges.

There can be no doubt that this would particularly impact on survivors of domestic abuse, for example when deciding if they have the means to support themselves if they leave the relationship. We know that it often takes several attempts at leaving before a person can successfully leave an abusive relationship for good, and financial worries certainly contribute to this. In addition, the Universal Credit system that collates all benefits and sends them directly to one household member makes financial abuse and total control of a family's income by an abusive partner especially easy, and therefore makes it even more difficult to even access the few pounds needed to escape the physical building and get to somewhere safe - even more difficult again if the survivor is disabled or lives in a rural area without access to their own means of transport. This change to the system - both in design and in delivery, where it became clear that the computer system struggled with requests to split the payment between partners - was so clearly designed without regard for the impact that this would have on the most vulnerable people in abusive relationships. It speaks to a system focused entirely on making miniscule savings at the cost of the lives of the people it serves, and to the fact that no relevant stakeholders were consulted during the process.

Meanwhile, the no recourse to public funds status which leaves migrant women whose immigration status is reliant on their partner in incredibly vulnerable positions, without any access to money of their own and at risk of removal from the country should they reach out for help. Further, this status means that service providers like Women's Aid, Refuge, etc cannot access statutory funding to provide services to survivors who fall into this category and must either provide this space at their own cost or turn survivors away. While not strictly a function of the social security system, it is nonetheless a reality for those living in this situation that should be considered by this inquiry.

- **Uprating process**

*How well is the current process of uprating benefits working?*

The current process is insufficient at the best of times and especially insufficient at times like these, where inflation is far beyond the usual rates. The system has a built-in 6 month delay between the measurement of the inflation rates and the new rate being applied, and then it applies unchanged for the following 12 months. This means that in March 2023, benefits recipients will still be receiving benefits calculated on the inflation rates in September 2021, notwithstanding the inflationary crisis and cost of living crisis that has occurred in the interim. A system that is so rigid and inflexible necessarily makes those who rely on it vulnerable to and unprotected from economic shocks. It is especially obvious now, during a period where inflation is currently at a high, but it will recur as an issue for as long as the process works as it does.

*What are the alternatives to the current practice of uprating benefits in April based on last September's inflation rate?*

There are a number of alternative approaches;

1. Uprating benefits in April based on March's inflation rate, as it is likely to be closer to the current state of affairs,
2. Uprating benefits on a 6 monthly or even 3 monthly basis, ideally on the inflation rate from the previous month,
3. Including greater flexibility for the use of uplifts or mitigations, for example the £20 universal credit increase applied in 2021 to alleviate the impact of Covid, which can be used to address short term issues

Whichever option is taken, ideally a combination of these, the uprating must be closely tied with the rate of inflation and the cost of living. Presently, this is not the case. The real life impacts have been devastating.