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# Welfare Mitigation Schemes

## Statutory Report

December 2024



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# Contents

|                                                                                            |    |
|--------------------------------------------------------------------------------------------|----|
| 1. Introduction                                                                            | 4  |
| 2. Welfare Supplementary Payment (WSP) Schemes                                             | 5  |
| 3. Operational Delivery of the WSP Schemes                                                 | 11 |
| 4. Advice Sector and Social Supermarkets                                                   | 15 |
| 5. Requests for new mitigation schemes                                                     | 18 |
| 6. Feedback from Survey and Stakeholder Engagement Event                                   | 19 |
| 7. Conclusions – Funding and Legislation                                                   | 24 |
| Appendices                                                                                 | 27 |
| Appendix 1 - Existing Welfare Supplementary Payment Schemes                                | 28 |
| Appendix 2 - Number of people who received a WSP and the spend against each of the schemes | 30 |
| Appendix 3 - Online Survey Questions – Summary of Responses                                | 33 |

# 1. Introduction

- 1.1 The Welfare Supplementary Payments (Amendment) Act (Northern Ireland) 2022, that received Royal Assent on 27 April 2022, introduced a statutory requirement on the Department for Communities to produce a report setting out the Department's assessment of the operation of each of the ongoing Welfare Supplementary Payment (WSP) schemes by 31 March 2025. This assessment is to cover the period from when the Act came into operation and must include a summary of proposals, if there are any, to amend, revoke or introduce new legislation in respect of the schemes.
- 1.2 The WSP schemes are the principal element of the package of 'welfare mitigations' agreed by the Northern Ireland Executive in 2016. As such, the ongoing welfare mitigations funding administered by the Department for Communities covers not only the current WSP schemes, but also funding for the Universal Credit Contingency Fund, the independent Advice Sector and Social Supermarkets. While the Welfare Supplementary Payments (Amendment) Act did not include a requirement to report on these areas, to ensure a comprehensive picture of welfare mitigations in Northern Ireland, it has been decided to include a brief update on their performance in this report.
- 1.3 In order to fully assess the operation of the current WSP schemes the following areas have been addressed –
  - The amount of financial support paid out and the number of people who have benefited from each scheme;
  - The cost to administer the schemes in terms of staffing and the provision of the requisite IT infrastructure; and
  - The operational challenges identified with the delivery of WSPs as the transition of people on to Universal Credit increases. This leads on to consideration of whether any alternative mechanisms to provide mitigation are feasible.
- 1.4 While there was no statutory requirement for the Department to hold any external engagement as part of the production of this report, departmental officials did meet with key external stakeholders on 03 September 2024, and wider public engagement was provided via an online survey. A summary of the feedback received in this engagement is included at Section 6 of the report.

## 2. Welfare Supplementary Payment (WSP) Schemes

2.1 The Department for Communities currently delivers a number of Executive approved welfare mitigation schemes, which are designed to alleviate the financial impacts of specific changes to the social security system. These mitigation schemes, known as Welfare Supplementary Payments (WSPs) are specific to Northern Ireland, and the Department has sole responsibility for the development and implementation of the policy, legislation and operational delivery including the supporting IT infrastructure.

2.2 The following WSP schemes were introduced, as agreed in the Stormont Fresh Start Agreement and Implementation Plan (published in November 2015) and continue to be in operation:

- Benefit Cap
- Social Sector Size Criteria (commonly referred to as the “bedroom tax”)
- Time-limiting of Contributory Employment and Support Allowance
- Transition to Personal Independence Payment
- Loss of Carer Payments
- Loss of Disability-Related Premiums

2.3 Funding for these schemes was initially provided by the Executive for a four-year period ending on 31 March 2020. The funding of just over £500 million was

part of the Fresh Start Agreement and this allowed not only for the introduction of the payments, but also the IT capacity and administrative infrastructure for their delivery. The extension of the schemes beyond this date was included in the New Decade, New Approach Deal as a commitment of the Executive on the return of the Assembly in January 2020.

2.4 On 31 January 2022 the Assembly approved the Welfare Supplementary Payment (Extension) Regulations (Northern Ireland) 2022. This legislation extended the period for which all WSPs, excluding the Social Sector Size Criteria, could be paid up to 31 March 2025. On 1 March 2022, the Assembly approved primary legislation that removed the end date for WSPs for people affected by the Social Sector Size Criteria for an indefinite period.

2.5 On 8 February 2022, the Assembly approved the Welfare Supplementary Payment (Amendment) Regulations (Northern Ireland) 2022 to ensure that from 10 February 2022 circumstances that led to certain exclusions from mitigation payments in relation to the Benefit Cap and Social Sector Size Criteria were removed. For example, this legislation meant that entitlement to a Benefit Cap WSP was no longer restricted to when a person first had their benefit capped and that a Social Sector Size Criteria WSP would no

longer cease if someone chose to move property and continued to under-occupy by at least the same number of bedrooms. Mitigation for Benefit Cap (for families with children) and the Social Sector Size Criteria was therefore ensured in all circumstances.

- 2.6 It should be noted that the current statutory WSP schemes that are in place for Social Sector Size Criteria and Benefit Cap do not apply to those people claiming Universal Credit. Affected Universal Credit claimants receive mitigation payments that are paid under the authority of the relevant Budget Act. This approach has been in operation since the introduction of Universal Credit in Northern Ireland on 27 September 2017 and was adopted to ensure equality of treatment between people claiming legacy benefits and those claiming Universal Credit. It has been necessary to adopt this approach as it has not yet been possible to bring the draft regulations to provide for statutory WSPs for Universal Credit claimants to the Assembly for consideration.
- 2.7 A summary outline for each of the current WSP schemes is included at **Appendix 1**. Details on the number of people who received a WSP and the spend against each of the schemes is set out at **Appendix 2**. Costs relating to the administration and IT infrastructure for the existing schemes will be covered in Section 3 below.

## Welfare Supplementary Payment Expenditure

- 2.8 As expected, with the completion of the re-assessment of all adult Disability Living Allowance claims to Personal Independence Payment, the numbers of people receiving a WSP relating to the transition to Personal Independence Payment has declined significantly from a peak of almost 27,000 in 2018/19. Likewise, the number of people receiving a WSP for loss of carer payments and disability-related premiums has also dropped from a high of just over 5,000 in 2018/19. The vast majority of WSPs are now paid in relation to the Benefit Cap and Social Sector Size Criteria.
- 2.9 Of the 38,182 Claimants (38,091 unique claimants. Some claimants received more than one WSP type) who received a WSP in 2023/24, some 35,781 did so in respect of the Social Sector Size Criteria and 1,596 for the Benefit Cap. Only 805 people received one of the other WSPs with 20 having a payment for Employment and Support Allowance Time Limiting, 152 for a loss of Carer's Payment and 633 for a loss in benefit when transitioning to Personal Independence Payment.
- 2.10 This downward trend is also shown in the gross amount paid for the WSP schemes. For 2023/24, the total gross expenditure for the WSP schemes, in respect of payments to recipients, was £28.86 million. This included £24.68 million paid out against the Social Sector Size Criteria and £2.54 million for Benefit Cap mitigation. Spend against other schemes ranged from £41k for

Employment and Support Allowance Time Limiting, £219k for loss of Carer's Allowance up to £1.39 million for those with a loss in benefit when transitioning to Personal Independence Payment. This scenario is replicated in the budget requirement forecast for the 2024/25 financial year. It is important to note that this quantitative data on the schemes does not reflect on the potential qualitative impact that receiving a mitigation payment may have on an individual's circumstances.

2.11 The expenditure on other elements of the mitigation package for 2023/24 were:

- £3.39 million on the Universal Credit Contingency Fund making payments to 11,160 recipients;
- £1.99 million on the provision of Social Supermarkets; and
- £1.9 million funding for the Advice Sector.

2.12 For the 2024/25 financial year the budget requirement forecast for the current welfare mitigation package is £45 million made up of:

- £27.21 million for the WSP schemes;
- £6.2 million for the Universal Credit Contingency Fund;

- £2.75 million for the Social Supermarkets;
- £2.02 million for the Advice Sector; and
- £6.82 million in respect of delivery costs.

2.13 It should be noted that funding for the Universal Credit Contingency Fund has been increased for 2024/25 due to the anticipated rise in forecast demand with the final stage of the Move to Universal Credit being taken forward. An increase to this fund was an interim measure recommended in the Independent Advisory Panel Report into welfare mitigations that was published in 2022.

### Statutory Position

2.14 As explained above, the WSP schemes are unique to Northern Ireland and the legislation under which they operate is approved by the Assembly. A key purpose of this report is to make recommendations, where appropriate, for new legislation in respect of the schemes. Table 1 below provides a summary of the legislative position for each of the WSP schemes post 31 March 2025, if no further legislation is made.

**Table 1 – Statutory Position of WSP Schemes**

| WSP Scheme                                                                                                                                                                                           | Post 31 March 2025                                                                                                                                                                                                                                                                                                   | Notes                                                                                                                                                                                                                                                                                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Employment and Support Allowance</b><br><b>Time-Limiting</b><br><b>Transition to Personal Independence Payment</b><br><b>Loss of Carer Payments</b><br><b>Loss of Disability-Related Premiums</b> | These schemes will cease and no further mitigations payments will be made.                                                                                                                                                                                                                                           | Legislation will need to be introduced either to amend or remove the current end date of 31 March 2025 for these schemes.                                                                                                                                                                                   |
| <b>Benefit Cap</b>                                                                                                                                                                                   | This scheme will cease and no further mitigations payments will be made.                                                                                                                                                                                                                                             | <p>Legislation will need to be introduced either to amend or remove the current end date of 31 March 2025 for this scheme.</p> <p>Legislation will also be required to ensure that WSPs will continue to be paid as is currently the case with no exclusions to mitigation as set out in Paragraph 2.5.</p> |
| <b>Social Sector Size Criteria</b>                                                                                                                                                                   | <p>No end date in legislation for this scheme which will continue unless legislation is introduced to provide an end date.</p> <p>Exclusion from mitigation for this scheme as set out in Paragraph 2.5 will return and WSPs will no longer be paid in all circumstances.</p>                                        | Legislation will be required to ensure that WSPs continue to be paid as is currently the case with no exclusions to mitigation as set out in Paragraph 2.5.                                                                                                                                                 |
| <u>Universal Credit</u><br><b>Benefit Cap</b><br><b>Social Sector Size Criteria</b>                                                                                                                  | As highlighted in Paragraph 2.6 the current statutory WSP schemes are not available to those people claiming Universal Credit. This scenario will continue without the approval of appropriate legislation. At present mitigation payments have continued to be made under the authority of the relevant Budget Act. | Legislation would be required to provide a statutory basis for payment of WSPs to those claiming Universal Credit.                                                                                                                                                                                          |

## Social Sector Size Criteria

2.15 As can be seen in relation to the number of recipients and the amount paid out in mitigation of the Social Sector Size Criteria, there is clearly a strong demand for this scheme. The policy rationale underpinning the need for mitigation still largely applies as there has been no significant change in the housing stock situation. This matter will be explored in greater detail in Section 3.

2.16 It may be appropriate to consider the ongoing provision of mitigation of the Social Sector Size Criteria policy in all circumstances. In particular, does this approach act as a disincentive for people to choose moving into a smaller and possibly more suitable property. At present, someone can move property and continue to under-occupy without any loss of mitigation payments. Originally this would have only been the case if Management Transfer Status was approved, for example due to intimidation being a factor behind the move. Any reversion to the original scheme design would need to be monitored in the context of the available housing stock.

## Benefit Cap

2.17 The number of people receiving a mitigation payment for the Benefit Cap has declined from a peak of almost 2,500 in 2017/18 to just under 1,600 in 2023/24. However, there is no consistent downward trend as the number of people affected by the Benefit Cap will often fluctuate. One of the key aims

of the Benefit Cap was to increase incentives to work and evidence produced by the Department for Work and Pensions (peer reviewed by the Institute of Fiscal Studies)<sup>1</sup> suggests that it has incentivised small numbers of people to move into paid work. On this basis there is a possibility that continuing to mitigate the Benefit Cap may act as a disincentive for families to take on employment opportunities. However, further work would be required to investigate this issue in greater detail. There is no evidence that the Benefit Cap in Great Britain has led to significant numbers of people moving into employment.

2.18 Previously when WSP mitigation payments did not cover the full loss from the Benefit Cap, those affected could apply for Discretionary Housing Payments. Currently, WSPs fully mitigate families impacted by the Benefit Cap.

## Transition to Personal Independence Payment, Employment and Support Allowance Time-Limiting, Loss of Carer Payments, Loss of Disability-Related Premiums

2.19 All of the WSP schemes were initially viewed as offering mitigation for certain welfare reforms for a limited transitional period within the original funding envelope that was provided. While the schemes were subsequently extended beyond their original end date of 31 March 2020, a number of the welfare reforms have largely completed any transitional phase and the number of

<sup>1</sup> Page 281 of the IFS Green Budget 2024 Report <https://ifs.org.uk/publications/green-budget-2024-full-report>

people in receipt of WSP mitigation for areas such as Employment and Support Allowance Time-Limiting, Loss of Disability-Related Premiums and Loss of Carer Payments have declined significantly.

- 2.20 With regards to the transition to Personal Independence Payment any new WSP mitigation awards are now only made for those children turning 16 and either not being awarded Personal Independence Payment or receiving an award of Personal Independence Payment lower than the previous award of Disability Living Allowance. A significant number of these children will not have been in receipt of Disability Living Allowance when Personal Independence Payment was first introduced. Therefore, consideration should be given as to whether these WSP schemes have now served their purpose of providing mitigation during a period of transition to a new welfare benefit.

### 3. Operational Delivery of the WSP Schemes

- 3.1 The cost of delivery for the current welfare mitigation package is set out in detail at **Appendix 2**. This includes staff resource costs and IT capital expenditure. From these figures it can be seen that the cost of delivery for both the WSP schemes and the Universal Credit Contingency Fund have risen since 2022/23 from £3.98 million for the WSPs and £289k for the Contingency Fund to a forecast requirement in 2024/25 of £5.15 million and £1.38 million respectively.
- 3.2 The cost of delivering £1 of the WSP schemes has increased from 12 pence to 17 pence over the same period. The delivery costs for both the WSP schemes and Contingency Fund are forecast to rise in 2024/25 as the Move to Universal Credit gathers pace, leading to additional staffing requirements and IT spend. The forecast requirement for delivery costs associated with the total mitigation package for 2024/25, including Social Supermarkets and support for the Advice Sector, is £6.82 million.
- 3.3 Operational challenges with the delivery of the WSP schemes have also become more evident. This is partly due to the capacity of the Supplementary Payment System (SPS) that was originally introduced to support the delivery of the welfare mitigation schemes until 31 March 2020, while relevant welfare reforms were rolled out in the social security system. The capacity of the SPS for future enhancements is considered to be limited.
- 3.4 While the Department continues to work with its IT delivery partner, Microsoft, ongoing issues with SPS continue to be uncovered such as the need for manual intervention to ensure that some payments are issued. The fact that the SPS is a standalone and bespoke IT system for Northern Ireland, i.e. that is not part of the Department for Work and Pensions (DWP) infrastructure, means that it also requires a range of clerical and off-system activity which is resource intensive.
- 3.5 These intensive clerical interventions are required to minimise, in so far as possible, any disruptive impact to customers. Interventions can be needed to ensure that payments are being issued through the Account NI system, or when the Northern Ireland Housing Executive (NIHE) rent increases are being updated on the WSP caseload. As customers move from Housing Benefit to Universal Credit this also means that any respective WSP case must be closed on the SPS and then opened and processed again as a linked Universal Credit case.

3.6 As the SPS is not part of the DWP IT infrastructure this can lead to delays in notification of changes required to award and payment of WSP, as changes to the claimant's award of Universal Credit are identified retrospectively. The NIHE and Universal Credit are working collaboratively to develop processes that will help ensure the safe movement of increasing numbers of cases from Housing Benefit onto Universal Credit minimising over and under payments.

3.7 The operational challenges not only impact on the delivery of the WSP schemes, but also represent a challenge to Universal Credit operations. As the Universal Credit system does not automatically identify those people who have started or ceased to be impacted by the Benefit Cap or Social Sector Size Criteria, or whose amount of benefit deduction has changed, there has been a need to develop custom-made monthly reports that require a degree of clerical / manual interventions. This again increases the risk of both over and under payments of WSP.

3.8 The procedures and staff resources required to maintain the ongoing operational delivery between Universal Credit and the WSP payment team will only increase as the Move to Universal Credit continues. This can be seen in the estimated staff resource forecasts below that are solely for maintaining the operational delivery for WSPs to Universal Credit customers:

|                               | Full Time Equivalent Staff | Yearly Salary Cost |
|-------------------------------|----------------------------|--------------------|
| Resources at April 2024       | 23.4                       | £810k              |
| Forecast Resources March 2025 | 43                         | £1.8m              |
| Forecast Resources March 2026 | 80                         | £3.1m              |

3.9 The impact of this issue is further increased given that Departmental budgetary pressures have resulted in vacancy control measures and restrictions on staff recruitment being required.

3.10 Any changes to the Universal Credit IT system to alleviate the above issues would require agreement from DWP to make the amendments, as well as securing the deployment of DWP system developers to carry out the work. It is envisaged that there would be a substantial cost associated with such changes and that they are unlikely to represent a priority for DWP.

3.11 The operational difficulties concerning limited IT infrastructure and resource intensive process have also been highlighted by the NIHE and Northern Ireland Federation of Housing Associations (NIFHA). Both organisations stressed that the need for manual intervention in the processing of WSPs, introduced during 2016 and 2017 to allow for the mitigation schemes to function, had led to an administrative

burden. At that time, it was envisaged that the schemes would only be for a temporary period until March 2020. If the schemes are to continue both NIHE and NIFHA have advised that further development of IT systems and automation would be beneficial.

3.12 In spite of the current operational difficulties, social landlords, in general, would be supportive of the continuation of mitigation for the Social Sector Size Criteria policy. NIHE and NIFHA have both confirmed that there has been little significant change in terms of housing stock since 2016. The majority of stock consists of 2 (or more) bed homes: currently 87% of NIHE stock is 2 (or more) bed homes and approximately 74% of Registered Housing Association (RHA) total stock consists of 2 (or more) bed homes, compared to 70% in 2016. However, it should be noted that the number of 1 or 2 bed homes in RHA stock has increased from 22,500 to 29,300 between 2016/17 and 2023/24. Since mitigations were introduced, the majority of new build social homes (average 70%) have been 1 or 2 bed.

3.13 Again both the NIHE and NIFHA felt that indications are that rather than encouraging more efficient use of 'underutilised' social housing stock, the effect of the Social Sector Size Criteria elsewhere in the United Kingdom has been to increase the arrears of affected social housing tenants. Social landlords clearly consider that the mitigation for the Social Sector Size Criteria should continue as it currently is providing full mitigation in all circumstances.

3.14 When faced with the ongoing operational issues with the delivery of WSPs for the Social Sector Size Criteria and Benefit Cap, the possibility of using Discretionary Housing Payments (DHPs) as an alternative mechanism of mitigation has been considered. At present this is the means of support provided in both England and Wales and also by the Scottish Government, which makes use of DHPs to mitigate in full those people affected by the Social Sector Size Criteria or Benefit Cap. The Scottish Government highlights in their report into DHPs, published on 28 May 2024, that:

"The Scottish Government provides full funding for the mitigation of the bedroom tax (Removal of the Spare Room Subsidy), and the benefit cap, and expects that anyone affected by these deductions will receive a DHP."

3.15 In Northern Ireland, the DHP scheme is administered by the NIHE. The NIHE has advised that with the move of all working age customers to Universal Credit, the NIHE benefit team would no longer have access to household information and a data sharing arrangement would have to be put in place with the Department for the purpose of providing mitigation payments. It would also be necessary to amend existing DfC legislation to allow DHPs to be used as a means of mitigation for the Social Sector Size Criteria and Benefit Cap (bringing it into line with the position in Great Britain).

3.16 Concerns have also been raised about the effect of such a change on the DHP budget (which is Annually Managed Expenditure provided by HM Treasury), and if this change to the use of the scheme would mean it was switched to Departmental Expenditure Limit funding. This would introduce a requirement for the Department to bid for an appropriate budget allocation each year and the financial risks that would bring.

3.17 If the use of the DHP scheme to deliver mitigation payments is to be considered, there would need to be further understanding of the anticipated benefits and discussion with HM Treasury.

### **Overpayment Waiver**

3.18 In two of the mitigation schemes, Social Sector Size Criteria and Benefit Cap, the WSPs are primarily paid to the landlord rather than directly to the customer. These overpayments are therefore recovered from the landlord, who in turn passes on the debt to their tenant as rent arrears. While the customer is notified that an

overpayment has occurred and will be recovered, there was previously no opportunity for customers to seek support from the Department to waive a WSP overpayment debt. Stakeholders, including advice organisations and elected representatives, had expressed their concern over this scenario.

3.19 In response to these concerns, work was taken forward by the Department in conjunction with social landlords with the aim of introducing a WSP waiver facility in September 2024. This waiver facility is available to customers of both private and social landlords. No legislative changes were required to enable this procedural change and following engagement with external stakeholders, processes have been agreed and changes made to customer messaging to publicise the waiver facility. It should be highlighted that in line with the standard existing waiver policy, WSP debts will only be waived in exceptional circumstances where there is significant impact on a person's physical or mental health or there is significant and enduring financial hardship.

## 4. Advice Sector and Social Supermarkets

- 4.1 As part of the original welfare mitigation package the Northern Ireland Executive made a commitment to provide a total of £8 million of funding over four years, from 2016 until 31 March 2020, for additional independent advice services to support people through the transitional period of changes to the welfare system.
- 4.2 This additional provision included a NI wide freephone helpline, complex legal support, appeal representation and additional face-to-face advice services.
- 4.3 In 2019 the Department commissioned the Strategic Investment Board to undertake an independent review of the additional independent advice provision. This review recommended that there is a clear need for these additional advice services to continue and it was subsequently agreed in March 2020 by the Minister for Communities at the time, Deirdre Hargey MLA, to extend the additional advice provision for a further three years until 2024.
- 4.4 During 2023/24, the helpline and the local advice organisations supported 40,870 people with 82,501 enquiries. The ongoing Move to Universal Credit migration process from legacy benefits to Universal Credit is anticipated to increase the demand for independent advice and support services, with approximately 87,600 households in May 2024 still to be invited to move to UC.
- Advice on welfare benefits accounts for 79% of independent advice casework.
- 4.5 The need and demand for independent advice and debt services are driven by wider economic and social changes. Demand for independent advice rises during periods of economic downturn and in recent years has been driven by the impact of the COVID 19 pandemic and sharp rises in the cost of living. The advice sector reports that people are presenting with more support needs and with a cluster of issues, leading to more complex and time-consuming casework. The profile of service users is diverse and changing, with an increase in the numbers of working people being impacted by hardship and higher numbers of immigrants and refugees requiring access to advice services.
- 4.6 The independent advice services are impartial and complement the Department's internal advisory services such as the Universal Credit Helpline and Make the Call service. Both these services advocate for users to seek independent advice, with the "Move to UC" Migration notices issued to customers referencing the importance of seeking independent advice.
- 4.7 There is a clear need to preserve the existing capacity in the advice sector, which is currently funded via welfare mitigations, in order to meet the continuing demand for independent

advice services. A requirement of £2.02million has been forecast for 2024/25, with a projected delivery cost of £176k. This additional funding represents 30% of the Department's existing investment for advice services in order to support the sustainability and capacity of the advice sector. It is anticipated that this additional funding should be mainstreamed as recommended by the 'independent panel report' in 2022.

4.8 The Department is currently developing a refreshed policy framework for the delivery of independent advice and debt services which will include welfare-related advice. This framework will include a focus on the future commissioning of quality advice services to allow for a more strategic integrated and outcomes-focused approach.

4.9 A Social Supermarket pilot programme commenced on 1 October 2017 at five sites across Northern Ireland concluding in March 2020. Following a positive evaluation, Ministerial approval was given to roll social supermarket models out on a co-design basis across the 11 Council areas. The purpose of this approach was to take account of specific local need and maximise existing networks and services in each area. This has enabled each area to consider the needs of the local population, existing infrastructure and accessibility.

4.10 As a result of this process, there are now a range of Social Supermarket models across the Council areas. The varying approaches taken have been influenced by a number of factors including urban / rural split of the area, capacity of the Voluntary & Community sector and pre-existing food-based projects in the area. The guiding principle for all models is that they cannot simply provide food, but they also must seek to engage with the individual and ensure wraparound support is accessed to address the root causes of food insecurity. This support is based on the clients' needs and can include, but is not limited to, benefits and debt advice, cooking on a budget and training and volunteering opportunities to enhance future employability.

4.11 A budget of £2 million was allocated to this work in 2023/24 and in excess of 6,000 households received support from Social Supermarket projects across the 11 Council areas. This has provided people with access to additional holistic support with food at a time that the continued cost of living crisis placed increasing pressure on household budgets.

4.12 For 2024/25 a budget requirement of £2.75 million has been forecast to continue with the provision of Social Supermarkets with an additional £127k to cover the delivery costs associated with this scheme. Funding has been

allocated to each Council on the basis of population and deprivation. In most cases the Social Supermarket projects are linked in with the Advice Services funded by the Department and make use of the Department's Make the Call service. Project providers are also encouraged to consider and refer to the Department's employability schemes if relevant.

- 4.13 Stakeholders from across the Council areas, including social supermarkets, and advice services report that numbers of people seeking assistance with hardship has risen dramatically over the last number of years. This reflects reported statistics from the Trussell Trust who operate the largest network of foodbanks in Northern Ireland. They report a 143% increase in food parcels distributed from 2018/19 to 2023/24.

- 4.14 When considered alongside the fact that the overall price of food and non-alcoholic beverages rose around 25% between January 2022 and January 2024, compared to 9% in the 10 years prior to this, there does not appear to be any short-term prospect of the issue of food poverty subsiding. Given this and the experience on the ground it is not expected that demand for assistance from projects such as Social Supermarkets will fall in the short term.

## 5. Requests for new mitigation schemes

- 5.1 The New Decade, New Approach Deal committed to a review of welfare mitigation measures and in 2021 the former Communities Minister, Deirdre Hargey MLA, decided that this review should be completed independently by an Advisory Panel consisting of people with experience of the social security system. The Panel's report was published on 25 October 2022.
- 5.2 Information on the panel's recommendations and updated costs will be shared with the Executive and the Committee for Communities and presented to the Assembly.

## 6. Feedback from Survey and Stakeholder Engagement Event

- 6.1 As previously highlighted there was no requirement on the Department to hold any form of consultation or engagement when completing this review. However, the Department was keen to engage with key stakeholders and to allow the opportunity for the wider public to express their views on the issue of the operation of the current WSP schemes.
- 6.2 In this context, the Department carried out the following engagement:
- An event was held with key stakeholders at the PRONI building on 3 September 2024.
  - An online survey was made available from 6 August 2024 to 13 September 2024.
- 6.3 Invitations were issued to the following stakeholders to attend the engagement event on 3 September 2024:
- Equality Commission for Northern Ireland
  - Northern Ireland Commissioner for Children and Young People
  - Northern Ireland Human Rights Commission
  - The Office of the Discretionary Support Commissioner
  - Commissioner for Older People for Northern Ireland
  - Advice NI
  - Law Centre NI
  - Housing Rights
  - Northern Ireland Federation of Housing Associations
  - Cliff Edge Coalition
  - Disability Action
  - Ulster University Law Clinic
  - Carers NI
- 6.4 A summary of the main discussion points raised at the event is set out below:
- The impact of ending the WSP schemes would need to be given serious consideration by the Department as this loss of support, especially in relation to the bedroom tax and Benefit Cap, could lead to increased homelessness and increasing pressure on the Department's budget to deal with such an outcome.
  - Stakeholders stressed the importance of the support received from WSP schemes for the individual, even if the scheme costs are low and no longer caters for a large number of recipients.
  - It was not felt that the funding currently used for the WSP schemes could be utilised elsewhere in a way that would have a greater impact. In general, it was considered that the WSP schemes continued to provide a necessary means of support.

- Stakeholders also believed that any new mitigation schemes should be treated as a separate issue and that there should be no form of trade-off between swapping funding for the existing mitigation schemes to allow for the introduction of new mitigations.
  - There was an awareness of the operational challenges faced by the Department with the delivery of the existing WSP schemes due to IT limitations and the reliance on manual processes. This was especially highlighted around a discussion on the topic of overpayments being raised. Stakeholders were supportive of the Department's attempts to make progress on resolving, as far as possible, the operational difficulties.
  - Stakeholders were clear that they thought there could be an improvement with regards to the language used in terms of communication around the WSP schemes. They considered that the Department needed to try to make communications clearer and easier to understand for WSP recipients.
  - There was agreement among stakeholders that the housing stock position had not improved significantly in Northern Ireland to suggest that mitigation for the bedroom tax could be removed.
  - Stakeholders expressed concerns over the idea of using Discretionary Housing Payments as a means of providing mitigation support as they did not feel that it would offer a more effective or efficient process.
- 6.5 The online survey, launched on 6 August 2024, asked four questions and provided a text box for users to expand on their answers. The survey questions have been included at **Appendix 3** together with an analysis of the responses received.
- 6.6 The survey focused on the existing Welfare Supplementary Payment schemes:
- Benefit Cap
  - Loss of Carer Payments
  - Loss of Disability-Related Premiums
  - Social Sector Size Criteria ("the bedroom tax")
  - Time Limiting of Contributory Employment and Support Allowance
  - Transition to Personal Independence Payment from Disability Living Allowance
- 6.7 Overall, there were 137 respondents, 112 of whom were responding as private individuals and 25 of whom were responding on behalf of a group or organisation. The groups and organisations included multiple community and advice organisations.
- 6.8 Excluding responses recorded as 'Not sure', there was a slight majority in favour of continuation of the current mitigation schemes overall. The majority of respondents were in favour of the continued provision of full support for both the Benefit Cap and Social Sector Size Criteria mitigation schemes. The majority of respondents were of the view that alternative methods should not

be considered for providing mitigation support for the Benefit Cap and Social Sector Size Criteria.

6.9 The majority of respondents did not agree with using the current welfare mitigations budget to fund different / new mitigation schemes. Opinions varied over whether funding for the existing mitigation schemes should be continued or be reallocated to areas other than welfare mitigations.

6.10 Following the launch of the survey, a number of stakeholders and MLAs raised concerns, including:

- The survey was being conducted over the month of August and that it was open for too short a period (it was originally due to close on 6 September 2024).
- The survey was only available online and therefore could limit responses to only those with access to and confidence with IT.
- The survey overview and questions were not clear enough and could confuse users with the terminology / jargon.

6.11 While the Department accepts that it was not ideal to carry out the survey largely during the month of August, this was unavoidable due to the tight timescale to complete and publish the statutory report by the end of 2024. It was determined that the use of an online survey would allow the opportunity

for potentially more responses to be gathered and analysed in the limited timeframe available. An extension to the initial deadline was also given, with the survey closing on 13 September 2024.

6.12 With regards to the terminology used in the survey, the Department has taken note of this issue, and the more general concern raised at the stakeholder engagement event around communications. Going forward, the Department will consider how communication for the WSP schemes can be improved.

6.13 Some organisations chose to submit a written response to the Department following the launch of the online survey. Written responses were received from the following groups:

- Action for Children NI
- Advice NI
- Cliff Edge Coalition
- Commissioner for Older People Northern Ireland
- Law Centre NI
- NI Anti-Poverty Network
- Royal National Institute for the Blind
- Rural Community Network
- School of Law University of Ulster
- Trussell Trust
- Women's Policy Group NI
- Women's Regional Consortium

6.14 A summary of the points raised in these submissions has been included below:

- The current WSP mitigations should be extended and strengthened.
- Reducing or stopping the current mitigations will cause hardship and increase demands for other support. Few of those affected by welfare reform changes are aware that they are supported via mitigations payments.
- That the circumstances which led to the introduction of the WSP mitigation schemes remain largely unchanged, especially in relation to the bedroom tax and Benefit Cap, and so the schemes should continue.
- Mitigation for the bedroom tax is well targeted and supports a considerable number of people. To remove this support would risk an increase in homelessness and the need for spending on temporary accommodation. The housing stock situation remains unchanged.
- While the numbers of people supported by the Benefit Cap mitigation may not be large, the impact of losing this support would be significant on those individuals. Research by both DWP and the Institute of Fiscal Studies suggests that the introduction of the Benefit Cap has not led to a significant move towards paid employment.
- The Minister and the Department should continue to push for reform at a UK level to remove policies such as the bedroom tax, Benefit Cap and two-child limit.
- That the current mitigation package should be strengthened to include a scheme mitigating the impact of the two-child limit, resolving the five week wait in Universal Credit and providing support for private renters affected by the Local Housing Allowance. Consideration should also be given to the introduction of a Child Payment similar to that being delivered in Scotland.
- Do not support using existing WSP funding for new mitigations.
- Concerns were raised about the current WSP overpayment process and requests made for the recovery process to be reviewed.
- That consideration of a move to using DHPs as a mechanism of providing support would be of little benefit to the Department as it would lead to the administrative upheaval of transferring the case load with no impact on expenditure or the level of support received by claimants.
- Support for the Advice Sector needs to be set out on a long term and sustainable basis.
- It was suggested that while the existing Transition to Personal Independence Payment mitigation may no longer be as relevant, the Department could consider introducing a new short-term assistance payment similar to Scotland. This allows claimants with an existing claim for a disability benefit, who receive a determination that their award is to be reduced or terminated, to continue to receive

their original payment during the time it takes for an appeal to be determined.

- It was highlighted that the WSP schemes provide support for some of the most vulnerable people and do so in a way that the recipient does not have to make a claim and perhaps risk losing out by not making that claim.
- Reducing or stopping the current schemes will disproportionately affect old people, those with disabilities, carers, women, families, children and those in rural communities.

- Given the context that women are more likely than men to live in poverty over the course of their lives, the importance of maintaining support through the WSP schemes should be recognised as a necessary measure to ensure that the social security system protects women and their families from poverty.
- Although some schemes may only make payments to small numbers of people these payments could be essential to the wellbeing of those individuals.

## 7. Conclusions – Funding and Legislation

- 7.1 As set out in Sections 2 and 3, there remains strong evidence to support the continuation of mitigation for the Social Sector Size Criteria. NIHE and NIFHA have both confirmed that there has been little change in the housing stock position since 2016 and both organisations feel that there are indications the Social Sector Size Criteria has contributed to rent arrears in other parts of the United Kingdom.
- 7.2 Social landlords would be supportive of the current mitigation scheme being continued due to the potential negative impact of the Social Sector Size Criteria on tenants and on the funding available to support social housing.
- 7.3 While there would be no requirement to introduce any legislative amendment to continue the mitigation for the Social Sector Size Criteria, legislation will be required to ensure that WSPs are available in all circumstances. On 8 February 2022, the Assembly approved the Welfare Supplementary Payment (Amendment) Regulations (Northern Ireland) 2022 to ensure that from 10 February 2022 scenarios that led to certain exclusions from mitigation in relation to the Benefit Cap and Social Sector Size Criteria were removed. For example, this legislation meant that entitlement to a WSP for the Social Sector Size Criteria would no longer cease if someone chose to move property and continued to under-occupy. Mitigation was therefore ensured in all circumstances.
- 7.4 As this legislation will cease to have effect from 31 March 2025, legislative amendments will be required to continue mitigation for the Social Sector Size Criteria in all circumstances. Again, this is a scenario supported by social landlords, though it also needs to be kept in mind that this may act as a disincentive for some people to move to smaller and more suitable accommodation.
- 7.5 A similar legislative change will also be needed if the Benefit Cap is to continue to be mitigated in all circumstances. Indeed, legislation will need to be introduced to allow for the continuation of mitigation for the Benefit Cap and the other existing mitigation schemes beyond their current end date of 31 March 2025. While mitigation for the Social Sector Size Criteria clearly provides financial support for the largest number of people, stakeholders do consider that the other mitigation schemes, especially in relation to the Benefit Cap, also serve a critical role.
- 7.6 However, the number of recipients of WSP mitigation for the Benefit Cap has shown a gradual decline. As noted in Section 2 the number of people affected by the Benefit Cap does fluctuate, and it may therefore be prudent to give consideration to using DHPs as an

alternative support mechanism, similar to the rest of the UK, for those people affected by the Benefit Cap.

7.7 For the other WSP schemes, the number of people receiving a payment has greatly declined as the transitional period for the welfare changes originally being mitigated has now ended. As noted in Section 2, consideration should now be given as to whether the remaining WSP schemes relating to Employment and Support Allowance Time-Limiting, Transition to Personal Independent Payment, Loss of Carer Payments and Loss of Disability-Related Premiums have now served their purpose and should be ended.

7.8 It should be noted that the Department will have to bring forward further legislation to provide a statutory basis for the payment of some of the WSPs to those people in receipt of Universal Credit (these payments are currently made under the authority of the relevant Budget Act) and to introduce a number of technical amendments to the existing schemes.

7.9 Continuation of the existing WSP mitigation schemes will therefore require the introduction of further legislation and the provision of ongoing funding. For the 2024/25 financial year, the required budget is forecast to be £45 million for the full package of mitigation measures including the WSP schemes, Universal Credit Contingency Fund, Advice Sector and Social Supermarkets funding and delivery costs.

7.10 While there is clearly support from stakeholders and social landlords for the WSP schemes to continue, there is recognition that there remain difficulties with the operational delivery of the schemes, especially for the Social Sector Size Criteria. This is a concern shared by the Department as it is apparent that the IT infrastructure designed for the schemes was not envisaged, at the time of its introduction, to be more than a temporary solution. The IT solution is not part of the DWP infrastructure that delivers Universal Credit and therefore this leads to a greater reliance on manual interventions that are resource intensive. As discussed in Section 3, these operational difficulties can lead to over and underpayments of WSPs.

7.11 Moving forward, the Department will continue to explore how these operational difficulties can be addressed. This may involve consideration of current IT capabilities and delivery processes, liaison with DWP on possible changes to the Universal Credit IT system or further investigation on the use of Discretionary Housing Payments (DHPs). It should be highlighted, however, that budgetary constraints will be a factor in consideration of all options.

7.12 The budget for the Universal Credit Contingency Fund has been increased in 2024/25 to meet an anticipated rise in demand due to the final stage of implementation for the move to Universal Credit.

## Proposals

7.13 With regards to the existing WSP mitigation schemes the Department is proposing the following legislative amendments and associated actions:

- Introduce legislation to extend WSP mitigation schemes for Employment and Support Allowance Time-Limiting, Transition to Personal Independence Payment, Loss of Carer Payments and Loss of Disability-Related Premiums to 31 March 2028.
- Introduce legislation to extend the WSP mitigation scheme for the Benefit Cap to 31 March 2028.
- Introduce legislation to ensure that WSP mitigation continues as it currently is for both the Benefit Cap and the Social Sector Size Criteria, without the re-introduction of scenarios when exclusions to mitigation may result.

- Introduce legislation to provide for a statutory basis for payment of WSP mitigation to those people claiming Universal Credit.
- To consider how communications around the WSP schemes can be improved to make them clearer and easier to understand.
- To look at how the current operational delivery of the WSP schemes can be enhanced, if possible, considering both IT and improved manual solutions.
- To continue to support Social Supermarkets in recognition of the pressure on household budgets due to the increased cost of living.

7.14 With regards to the provision of advice services, the Department is proposing the following action:

- Continue to fund advice services at existing levels. Consideration will be given to including advice funding, which is currently provided via the welfare mitigations package, within the Department's budget allocation in order to preserve capacity in the advice sector, meet continuing demand and fulfil the Department's duty to ensure the availability of advice and assistance under Article 138 of the Welfare Reform (Northern Ireland) Order 2015.

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# Appendices

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## Existing Welfare Supplementary Payment Schemes

- **Benefit Cap** – The Benefit Cap places an upper limit on the total amount of certain benefits a household can receive when a person, or their partner (if they have one), is of working age. If a person is affected by the Benefit Cap this will result in a reduction in the amount of Housing Benefit or Universal Credit payable. However, the Benefit Cap will not apply when certain benefits are in payment (for example, Personal Independence Payment). Benefit Cap mitigation is equal to the amount of benefit reduction.
- **Social Sector Size Criteria** – Households considered to be under-occupying will see a reduction in their Housing Benefit or the housing costs element of their Universal Credit of 14% for under-occupation by one bedroom or 25% for under-occupation by two or more bedrooms. Social Sector Size Criteria mitigation payments are equal to the amount of the reduction and are available to all affected households.
- **Time-limiting of Contributory Employment and Support Allowance** – This limits the time for which a claimant can receive Contributory Employment and Support Allowance to 365 days. This applies to claimants who are in the work-related activity group for Employment and Support Allowance based only on National Insurance contributions. Mitigation payments are equivalent to the actual loss of benefit and are payable for up to one year. These payments are now only available to people who were in receipt of Employment and Support Allowance on 28 November 2016, or a period of limited capability for work which is after that date but links to a claim before that date, who are in the Support Group and moved to the work-related activity Group.
- **Transition to Personal Independence Payment** – Welfare Supplementary Payments are available to any existing Disability Living Allowance claimant who experiences a loss of benefit (either through not qualifying, qualifying at a reduced rate of £10 or more per week, or if they do not qualify, but have received at least four points in their assessment and can show that their disability or illness is as a result of a Northern Ireland conflict-related injury) following a reassessment to Personal Independence Payment. The transition of existing Disability Living Allowance claimants to Personal Independence Payment was completed by autumn 2019. The only new cases are children who claim Personal Independence Payment after their 16th birthday.

- Loss of Carer Payments – People who are in receipt of Carer’s Allowance or a Carer Premium on an income-related benefit may find that they lose their entitlement because the person they care for was not awarded the qualifying daily living component on transition to Personal Independence Payment from Disability Living Allowance. The amount of the mitigation payment will be equal to the amount of carer’s benefit the person has lost and it will be payable for up to one year. Again, as reassessment from Disability Living Allowance to Personal Independence Payment has been completed for existing cases, this will now only be payable to those caring for children who claim Personal Independence Payment after their 16th birthday.
- Loss of Disability-Related Premiums – People who have transitioned from Disability Living Allowance to Personal Independence Payment may have seen a reduction in, or total loss of, the disability additions (disability-related premiums) they had been receiving. Mitigation payments are equivalent to the rate of the disability-related premiums that have been lost and are payable for a maximum of one year.

# Number of people who received a WSP and the spend against each of the schemes

## Number of Recipients for each Welfare Supplementary Payment Scheme in 2022/23 and 2023/24

|                               | 2022/23 Year      | 2023/24 Year      |
|-------------------------------|-------------------|-------------------|
| Welfare Supplementary Payment | Unique Claimants* | Unique Claimants* |
| Benefit Cap                   | 2,155             | 1,596             |
| ESA Time Limited              | 48                | 20                |
| PIP Disallowance              | 1,292             | 453               |
| PIP Reduction                 | 238               | 180               |
| PIP Conflict Related Injury   | -                 | -                 |
| Adult Disability Premium      | 1                 | -                 |
| Carer's Allowance             | 183               | 152               |
| Social Sector Size Criteria   | 37,388            | 35,781            |
| <b>Total</b>                  | <b>41,077</b>     | <b>38,091</b>     |

\* Claimants may receive more than one Welfare Supplementary Payment. Total will not match sum of each WSP as claimants can receive more than one WSP type.

## Gross Spend for each Welfare Supplementary Payment Scheme in 2022/23 and 2023/24

|                               | 2022/23 Year        | 2023/24 Year        |
|-------------------------------|---------------------|---------------------|
| Welfare Supplementary Payment | Gross Spend (£'000) | Gross Spend (£'000) |
| Benefit Cap                   | 3,555               | 2,538               |
| ESA Time Limited              | 109                 | 41                  |
| PIP Disallowance              | 3,466               | 1,225               |
| PIP Reduction                 | 189                 | 160                 |
| PIP Conflict Related Injury   | -                   | -                   |
| Adult Disability Premium      | 5                   | -                   |
| Carer's Allowance             | 252                 | 219                 |
| Social Sector Size Criteria   | 24,382              | 24,680              |
| <b>Total</b>                  | <b>31,958</b>       | <b>28,863</b>       |

## Net Spend (less offsets and debt) for each Welfare Supplementary Payment Scheme in 2022/23 and 2023/24

|                               | 2022/23 Year      | 2023/24 Year      |
|-------------------------------|-------------------|-------------------|
| Welfare Supplementary Payment | Net Spend (£'000) | Net Spend (£'000) |
| Benefit Cap                   | 2,413             | 1,746             |
| ESA Time Limited              | -12               | -5                |
| PIP Disallowance              | -3,803            | -1,521            |
| PIP Reduction                 | -29               | 79                |
| PIP Conflict Related Injury   | -                 | -                 |
| Adult Disability Premium      | -248              | -142              |
| Carer's Allowance             | 164               | 194               |
| Social Sector Size Criteria   | 23,031            | 23,094            |
| <b>Total</b>                  | <b>21,516</b>     | <b>23,445</b>     |

## Spend on other elements of the Welfare Mitigation package in 2022/23 and 2023/24

|                     | 2022/23 Year                | 2023/24 Year                 |
|---------------------|-----------------------------|------------------------------|
|                     | Spend (£'000)               | Spend (£'000)                |
| UC Contingency Fund | 2,815<br>(9,740 recipients) | 3,389<br>(11,160 recipients) |
| Social Supermarkets | 2,335                       | 1,994                        |
| Independent Advice  | 1,861                       | 1,899                        |
| <b>Total</b>        | <b>7,011</b>                | <b>7,282</b>                 |

## Budget 2024/25 excluding delivery costs

|                             | Gross Budget<br>2024/25 | Net Budget<br>2024/25 |
|-----------------------------|-------------------------|-----------------------|
| Welfare Mitigation          | (£'000)                 | (£'000)               |
| Benefit Cap                 | 2,130                   | 1,856                 |
| ESA Time Limited            | 175                     | 121                   |
| PIP Disallowance            | 587                     | 194                   |
| PIP Reduction               | 157                     | 123                   |
| Carer's Allowance           | 338                     | 214                   |
| Social Sector Size Criteria | 26,417                  | 24,697                |
| UC Contingency Fund         | 6,178                   | 6,178                 |
| Social Supermarkets         | 2,750                   | 2,750                 |
| Independent Advice          | 1,992                   | 1,992                 |
| <b>Total</b>                | <b>40,724</b>           | <b>38,125</b>         |

## Summary Table including delivery costs

| Expenditure on Existing Schemes (£'000)            | 2022-23<br>Spend | 2023-24<br>Spend | 2024-25<br>Forecast |
|----------------------------------------------------|------------------|------------------|---------------------|
| Net Welfare Supplementary Payments                 | 21,516           | 23,445           | 27,205              |
| Welfare Supplementary Payments Offsets             | -7,397           | -3,008           | -1,443              |
| Welfare Supplementary Payments Debt                | -3,045           | -2,410           | -1,156              |
| <b>Gross Welfare Supplementary Payments</b>        | <b>31,958</b>    | <b>28,863</b>    | <b>29,804</b>       |
| Universal Credit Contingency Fund                  | 2,815            | 3,389            | 6,178               |
| Social Supermarkets                                | 2,335            | 1,994            | 2,750               |
| Independent Advice                                 | 1,861            | 1,899            | 1,992               |
| <b>Total Gross Expenditure on Existing Schemes</b> | <b>38,969</b>    | <b>36,145</b>    | <b>40,724</b>       |
| <b>Cost of Delivery (Including Capital)</b>        |                  |                  |                     |
| Welfare Supplementary Payments                     | 3,981            | 3,299            | 5,146               |
| Universal Credit Contingency Fund                  | 289              | 636              | 1,384               |
| Social Supermarkets                                | 169              | 175              | 127                 |
| Independent Advice                                 | 102              | 132              | 166                 |
| <b>Total Cost of Delivery</b>                      | <b>4,541</b>     | <b>4,242</b>     | <b>6,823</b>        |
| <b>Total Gross Cost</b>                            | <b>43,510</b>    | <b>40,387</b>    | <b>47,547</b>       |
| <b>Total Net Costs</b>                             | <b>33,068</b>    | <b>34,969</b>    | <b>44,948</b>       |
|                                                    |                  |                  |                     |
| <b>Cost of Delivering £1 of Payment</b>            | <b>2022-23</b>   | <b>2023-24</b>   | <b>2024-25</b>      |
| Welfare Supplementary Payments                     | <b>12p</b>       | <b>11p</b>       | <b>17p</b>          |

# Online Survey Questions – Summary of Responses\*

## 1. Which of the current schemes do you think should be continued?

Excluding responses recorded as ‘Not sure’, there was a slight majority in favour of continuation of the current schemes overall.

Common topics raised by respondents who opted to **continue** all mitigation schemes included:

### Poverty risk

- That discontinuation of these schemes would lead to exacerbate poverty levels in Northern Ireland.
- Claimants are already struggling enough with the mitigation schemes in place.
- Discontinuing the schemes risks an increase in child poverty.
- Northern Ireland has higher rates of deprivation than Great Britain.
- Given the current cost-of-living crisis, Northern Ireland has a continuing need for these mitigation schemes.

### Other impacts on claimants

- Discontinuation of the schemes would acutely impact certain groups, including people with disabilities, women, lone parents, carers and tenants in social housing.
- Discontinuation would have a negative impact on the health of claimants, both

physically and mentally; increase the risk of homelessness; and impact upon other entitlements for which the welfare mitigation schemes provide passporting to.

### Policy

- There is a lack of appropriately sized social housing available, it would be unjust for social housing tenants to be penalised for having spare rooms.
- The current benefit awards are insufficient; and there are issues with benefit policies in general.

Common topics to emerge from the free text analysis of respondents who opted to **discontinue** all mitigation schemes.

### Government and policy

- There should be parity between Northern Ireland and Great Britain, and hence if the mitigation schemes are not available in Great Britain, they should be discontinued in Northern Ireland.
- As the schemes were initially intended to be temporary, they should be discontinued.
- The government’s budget is too tight to fund these schemes.
- Funds for the current mitigation schemes should be reallocated elsewhere, with reallocation to health services the most commonly stated alternative.

- The taxpayer should not pay for these schemes, mitigation payments remove work incentive and those on benefits are better off than some in employment.

## 2. With regard to Social Sector Size Criteria (“bedroom tax”) and the Benefit Cap, do you think the Department should continue to provide full support, or provide support on a tapered basis (reducing or stopping over time)?

The majority of respondents were in favour of the continued provision of full support for both the Benefit Cap and Social Sector Size Criteria mitigation schemes.

Of those responding as a private individual, a slight majority opted for support to both schemes to be tapered, while of those responding on behalf of a group or organisation, the vast majority opted for continuation of full support for both schemes.

Common topics to emerge from the free text analysis of respondents who opted to **continue to provide full support for both** the Benefit Cap and Social Sector Size Criteria mitigation schemes largely mirrored the topics raised in the previous question. In addition, the following issues were raised:

- Rural housing, in particular, is insufficient; more houses need to be built.
- Should the lack of social housing be addressed, then the discontinuation of the Social Sector Size Criteria mitigation could be considered.

Common topics to emerge from the free text analysis of respondents who opted to provide support on a **tapered basis (reducing or stopping over time) for both** the Benefit Cap and Social Sector Size Criteria mitigation schemes include:

- While some respondents commented in favour of tapering the schemes, the majority of free text responses stated that the schemes should be stopped, as opposed to only reduced.
- The schemes were initially intended to be temporary, they should be discontinued.
- The schemes offer social housing tenants preferential treatment over private rental tenants.
- Claimants should be working, the taxpayer should not pay for these schemes, mitigation payments remove work incentives, as well as encourage dependency, and those on benefits are better off than some in employment.

## 3. Do you think alternative methods should be considered for providing support for the Social Sector Size Criteria (“bedroom tax”) or the Benefit Cap?

The majority of respondents were of the view that alternative methods should not be considered for either scheme.

Common topics to emerge from the free text analysis of respondents who stated that **alternative methods should not be considered for either** the Benefit Cap or Social Sector Size Criteria mitigation scheme include:

- The current schemes were effective in their purpose; cutting the current schemes would likely cost the government more in the long run.
- The current schemes should be strengthened, rather than cut.
- Discretionary Housing Payments and Discretionary Support are not appropriate alternatives to the mitigation schemes, as they are already under pressure and do not offer long-term security.
- Discontinuation or alteration of the schemes could acutely impact certain groups, including people with disabilities, older people, larger families and low-income households; as well as increase the risk of homelessness.

Common topics to emerge from the free text analysis of respondents who voted that **alternative methods should be considered for both** the Benefit Cap and Social Sector Size Criteria mitigation schemes.

- Respondents expanded on alternatives, including stopping mitigations after a notice period and encouraging employment; offering incentive-based support and improving non-monetary support.
- Offering Local Housing Allowance for bedrooms, but based on household income.
- Increasing benefits in line with inflation and improving support for the low-income employed.
- Reviewing welfare mitigations criteria to ensure in line with economic and social situation.

- Tapering the mitigation schemes.
- Increasing support for carers.
- The policies and caps themselves, which the schemes are designed to mitigate against, are inappropriate and should be reviewed or ended.

#### 4. Do you think the current funding for the existing Welfare Supplementary Payment schemes should be allocated to fund different / new mitigation schemes?

The majority of both those responding as a private individual and those responding on behalf of a group or organisation stated that the current funding should not be allocated to fund different / new mitigation schemes.

Opinions varied over whether funding for the existing mitigation schemes should be continued or be reallocated to areas other than welfare mitigations.

Common topics to emerge from the free text analysis of respondents who voted **against allocating the existing funding to different / new mitigation schemes** include:

- New mitigation schemes should be considered in addition to, rather than in place of, the current schemes.
- The current schemes were effective in their purpose.

On analysis of the free text responses of respondents who were **in favour of allocating the existing funding to different / new mitigation schemes**, it was found that the majority of comments were in relation to the reallocation of funding.

Some of these comments referred to the proposed new welfare mitigation schemes in the Independent Advisory Panel Report on Welfare Mitigations.

Specified targets for the funding included financial support for carers, help with energy and fuel costs, the Independent Review's proposed recommendations, and increased working wages.

\*The survey analysis provides a summary of the views of organisations, groups or individuals who voluntarily participated in this engagement survey only, hence the results cannot be regarded as representative of the general NI population. It should be noted that analysis of the free text responses indicated that some respondents may have misinterpreted the questions or chosen to provide feedback on broader benefit policy issues beyond mitigations.

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