

# Welfare Reform Act (Northern Ireland) 2010

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## **EXPLANATORY NOTES**

### **BACKGROUND AND POLICY OBJECTIVES**

#### **Part 1 - Social security**

##### **Abolition of income support**

6. The aim of much of this Part of the Act is to move towards greater flexibility and personalisation of benefit conditionality and to reduce the number of working age benefits by abolishing income support. The Act contains provisions and confers regulation-making powers which will be used to increase support for benefit claimants and, where relevant, their partners with a view to improving their employment prospects or preparing them for work in the future. The provisions also set out the framework necessary for the future abolition of income support, and the movement of claimants off that benefit to jobseeker's allowance with differing degrees of conditionality, or to employment and support allowance.

##### **Work for your benefit**

7. The Welfare Reform Act 2009 contained provision for 'Work for your benefit schemes' to be piloted in Great Britain for long-term jobseekers who have received increasingly intensive support from Jobcentre Plus and specialist back-to-work providers.
8. Although provisions for the schemes are included in the Northern Ireland Act, it will not be necessary to introduce the scheme in Northern Ireland until after any Great Britain pilots have been completed and evaluated and a decision has been taken to proceed to national roll-out.

##### **Supporting parents with younger children into employment- 'Progression to work'**

9. Since 30 April 2001 all lone parents in Northern Ireland, on income support have been required to participate in Work-Focused Interviews (WFI) as part of their claim. The lone parent WFI regime has been expanded over time and since April 2008 has required all lone parents to undergo regular interviews, generally every six months.

10. The aim is to encourage more lone parents to take up sustainable work and ensure that all lone parents are aware of the help and support available to them. Since October 2005 lone parents have been required to agree a mandatory action plan with their Personal Adviser as a condition of completing their initial WFI, helping lone parents and their advisers concentrate on their longer-term goals and set the steps they can take or are taking to prepare for work.
11. Lone parents who wish to take up the offer of greater support to move towards employment can volunteer for the Department for Employment and Learning's Steps to Work programme. This programme aims to help and encourage lone parents to improve their job readiness and employment opportunities and gain independence through working. This is achieved through providing access to various elements of assistance and provision made available through a Personal Adviser.
12. Obligations to look for work have already started to increase for lone parents with older children. From 2 December 2008 lone parents with a youngest child over twelve will have their entitlement to income support removed if their entitlement was based solely on the grounds of being a lone parent. By 25 October 2010 this will extend to lone parents with a youngest child aged seven and over. Those who are able to work can claim jobseeker's allowance instead, and those with a disability or health condition may claim employment and support allowance.
13. Partners of jobseeker's allowance claimants with children are required to take part in a compulsory WFI every six months, whilst partners of benefit claimants in receipt of income support, incapacity benefit or employment and support allowance are required to attend one WFI six months into their partner's claim. As is the case with lone parents, a partner who wishes to volunteer for extra support following a WFI is able to take up the Steps to Work programme. To support more partners into employment, there are powers in this Act which may be applied to require more activity from partners in return for benefits. The support will be in line with the long-term vision for personalised conditionality proposed by Professor Paul Gregg in his independent report *Realising potential: A vision for personalised conditionality and support*.
14. The powers in the Act will give effect to Professor Gregg's recommendation that in the long-term parents with younger children should generally be part of a 'Progression to Work' group, for whom an immediate return to work is not appropriate, but is a genuine possibility with time, encouragement and support.
15. The intention is to establish a personalised conditionality regime which is tailored to the individual's circumstances, so that preparation for work becomes a natural progression rather than a sudden step up. The Act includes provision that will ensure lone parents and partners of benefit recipients in the Progression to Work group are required to undertake action planning and work-related activities. These actions and activities are broadly defined to ensure they are appropriate to the needs and circumstances of each individual. In instances

where work-related activity is identified which will improve their employment prospects, individuals may be directed to carry this out.

### **Work-related activity for claimants of employment and support allowance**

16. Provision is made to direct an employment and support allowance claimant to undertake a specific work-related activity in certain circumstances. This extends the provision in section 13 of the Welfare Reform Act (Northern Ireland) 2007 which requires employment and support allowance claimants (with the exception of those in the support group, who include those who are most severely effected by the results of their condition or disability and those who are terminally ill) to undertake a work-related activity of their choice.

### **Contribution-based jobseeker's allowance and contributory employment and support allowance**

17. In addition to making provision concerning conditionality, this Part also amends the contribution conditions for both contributory jobseeker's allowance and employment and support allowance. This will mean that in order to qualify, new claimants will normally need to have paid national insurance contributions for at least 26 weeks in one of the last two tax years prior to the claim. There is also provision to remove an adult dependency increase from maternity allowance and from carer's allowance. A further provision extends the mobility component of disability living allowance to certain people with severe visual impairments.

### **Community care grants**

18. This Part of the Act also includes measures to reform the Social Fund. The discretionary Social Fund is a cash-limited system of one-off payments, mainly to people receiving pension credit, income support, income-related employment and support allowance or income-based jobseeker's allowance - although crisis loans are available to anyone, whether on benefit or not, who are without resources to meet their immediate, urgent needs.
19. Under the existing law, successful applicants for community care grants may be provided with cash to obtain goods or services that the award covers. At the discretion of the appropriate officer, a payment may be made to a third party to provide goods or services. The reforms enable the Department to require that, where the goods or services are covered by arrangements the Department has made with a supplier, the award made must relate to specified goods or services and the payment would be made to the supplier.
20. Every year thousands of people make a social fund application because they are without funds but are awaiting the award or payment of benefit. This Part includes a provision which extends the existing provisions for making and recovering a payment of benefit on account. This will replace the need for

people to apply for social fund crisis loans on the grounds that their health or safety is at risk.

### **Benefit fraud**

21. [Part 1](#) also includes amendments to the current provisions dealing with the consequences of benefit fraud. The amendments allow for the loss of benefit following one or more convictions, penalty or caution for benefit fraud.

### **Sanctions**

22. Provision is made to apply a one or two week benefit sanction to jobseeker's allowance claimants who, without good cause, fail to attend mandatory appointments in connection with their claim. A sanction will also be introduced for jobseeker's allowance customers who commit acts of violence or threatening behaviour against staff in Jobs and Benefits Offices and Social Security Offices or contracted staff in the course of a claim for jobseeker's allowance. The sanction will only apply following a conviction or caution.

### **Miscellaneous provisions**

23. This Part of the Act also contains several miscellaneous provisions. It includes provision for the sharing of social security information and functions, for example, to support contracting out arrangements. There is also provision for persons under pensionable age to take part in Work-Focused Interviews.