

# Recommendations for an Anti-Poverty Strategy

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Report of the Expert Advisory Panel

December 2020

# Contents

<b>Acknowledgements</b>	<b>4</b>
<b>Summary</b>	<b>6</b>
<b>1. Introduction: The challenge ahead</b>	<b>9</b>
<b>2. Terms of reference</b>	<b>12</b>
Understanding of brief	12
Key assumptions	14
<b>3 Poverty today</b>	<b>17</b>
Who is below the poverty line?	17
Where do those in poverty live?	18
How serious is poverty?	18
Is poverty getting worse?	21
<b>4. Key features of an anti-poverty strategy</b>	<b>23</b>
Inclusion and consultation	23
A rights-based approach	24
Poverty definition and objective need	27
<b>5. Work, pay and the benefits system</b>	<b>29</b>
<b>6. Child poverty</b>	<b>36</b>
<b>7. Working age poverty</b>	<b>44</b>
<b>8. Pensioner poverty</b>	<b>46</b>
<b>9. Cross-cutting policies</b>	<b>48</b>
Housing policies	48
Employment inclusion	50
Access to services	56
Sustainable development	59
<b>10. Poverty measurement and monitoring</b>	<b>61</b>
<b>11. Next steps</b>	<b>64</b>

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# Acknowledgements

Comparing notes at our first Panel meeting, we discovered that each of us had had the same reaction to the invitation to make recommendations for an anti-poverty strategy. After years of little progress, cynicism was only natural: was this groundhog day or a genuine new departure? Somehow, the Department for Communities persuaded us to get involved, not knowing who the other Panel members were. Our thanks to the Poverty Policy Team at the Department who made notes, gave presentations, patiently listened to our questions, provided answers and met data requests where possible.

The Poverty Policy Team facilitated a virtual meeting with the following child poverty experts: Alison Garnham (Child Poverty Action Group), Anna Feuchtwang and Lorna Ballard (End Child Poverty), and Celine McStravick (National Children's Bureau). They provided us with an overview of the enduring impact of childhood poverty, shared their expertise and experience, and outlined their policy recommendations at UK government level. Geraldine McGahey (Equality Commission for Northern Ireland) and Les Allanby (Northern Ireland Human Rights Commission) agreed to meet us at short notice and we thank them for their advice on economic and social rights, and specific aspects of UK and NI law.

At their request, we were pleased to meet with members of the Expert Panel to tackle educational underachievement (established by the Department of Education) – Noel Purdy (Stranmillis University College), Mary Montgomery (Principal, Belfast Boys Model School), Kathleen O'Hare (retired Principal, Hazelwood Integrated College and former Principal of St Cecilia's College), Joyce Logue (Principal of Longtower Primary) Jackie Redpath (Chief Executive, Greater Shankill Partnership) and Professor Feyisa Demie (Durham University). We found it useful to compare notes on the significance of poverty in the context of education and schools.

Individually and collectively we discussed ideas with a number of colleagues, including some of those mentioned below in the Co-Design Group, in particular: Dr Bronagh Byrne (Queen's University Belfast), Dr Micheál Collins (University College Dublin), Dr Ciara Fitzpatrick (University of Ulster), Professor Colin Harvey (Queen's University Belfast), Professor Paddy Hillyard (Queen's University Belfast), Owen McCloskey (Law Centre NI), Dr Martina McAuley (Housing Rights), Dr Mark Simpson (University of Ulster), Dr Lisa Wilson (Nevin Economic Research Institute) and members of the Welfare Reform, Family and Homelessness and Immigrant Advice & Support teams at STEP – and we thank them all for their invaluable advice.

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We deliberately focus our recommendations on issues most directly relevant to the improvement of household resources, so not all of the advice offered has been included. That does not preclude inclusion in the anti-poverty strategy as it develops in future.

Responsibility for the recommendations which follow lies with the Expert Advisory Panel alone.

### **Expert Advisory Panel**

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**22 December 2020**

# Summary

1. The Northern Ireland Act 1998 obliges the Executive to develop a strategy ‘to tackle poverty, social exclusion and patterns of deprivation based on objective need’. In 2015, the Northern Ireland High Court ruled that there was no such strategy in existence, and this remains the case.
2. The political and economic contexts for the anti-poverty strategy (APS) are very unpredictable, globally and locally. The COVID-19 pandemic, the UK’s exit from the European Union, the climate emergency and a decade of austerity and antipathy to income redistribution, all present profound economic and political pressures. ‘Building back fairer’ must be the guiding principle.
3. The Panel’s key assumption is that the purpose of an APS is to raise living standards and reduce living costs for those below an agreed, objectively-defined poverty line. Our recommendations focus on enabling people to undertake paid work and on improving social security for those who cannot work, or for whom work is unavailable.
4. Most of those living in poverty are families with children and the majority of these families have someone in work, mainly part-time. Addressing the constraints on hours worked and pay received are key to the APS.
5. The majority of households in poverty live outside of the Belfast area and in the West of NI. One challenge is to ensure that opportunities for work are available in areas of economic underdevelopment.
6. Pensioners are the only group for which poverty rates have declined steadily over the last twenty years. Child poverty rates are getting worse since the mid-2010s and the average amount that children are below the poverty line is high. Two-thirds of child poverty is made up of children who have lived in poverty for three of the past four years.
7. Destitution is a growing problem and a better understanding of the scale and nature of this issue in NI is urgently required.
8. An effective APS must be built on principles of inclusion and consultation, both at design-stage and as part of an on-going process of review and revision. The lived experience of poverty should be incorporated into the co-design process and in ‘poverty truth’ projects and other mechanisms thereafter. Listening to people in poverty, including children, is essential.

9. The APS should be based on the social and economic rights set out in the relevant UN conventions and the Sustainable Development Goal commitment to ‘end poverty in all its forms everywhere’.
  10. It is recommended that the Assembly passes an Anti-Poverty Act which includes a duty to reduce child poverty, setting targets and timetables for 2030 and beyond, and including four objective measures of poverty. It will include a duty to review plans and progress against targets every five years, using 2015/16 as the baseline.
  11. The Anti-Poverty Act should make discrimination in the provision of goods and services on grounds of socio-economic status unlawful, and include a ‘socio-economic duty’ requiring public bodies to take account of socio-economic disadvantage when making strategic decisions. Age discrimination should also be made unlawful.
  12. The Act should contain provisions for an Anti-Poverty Commission with responsibilities to a) monitor progress on reducing poverty and income inequality; b) promote the reduction of poverty and income inequality; and c) advise the Executive on any matters relating to poverty.
  13. The strategy should regularly quantify total objective need by auditing the ‘costs of poverty’ and by estimating the expenditure required to end household poverty based on the recommendations in this report.
  14. As agreed in New Decade New Approach, the Executive should take the lead on addressing low pay by declaring NI Government as a Real Living Wage and a ‘Living Hours’ employer.
  15. We recommend the introduction of a new non-taxable weekly Child Payment for all 0-4-year olds and for 5-15-year olds who are in receipt of free school meals. We propose that the Child Payment is set at between £12.50 and £15 per week initially.
  16. We make a number of recommendations on benefit cuts, welfare reform mitigations and Universal Credit on the grounds that the benefit system itself has become a driver of poverty and destitution. These include permanently ending the ‘bedroom tax’, the two-child limit, the benefit cap and the five-week wait.
  17. More can be done to encourage the take-up of Pension Credit, housing benefit, disability benefits and National Insurance credits among older people.
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18. Family outgoings can be reduced by ensuring that participation in school is cost-free, by extending free school meals provision to include school holidays, by expanding funding for the provision of breakfast and homework clubs, and by expanding Sure Start provision.
19. Childcare is an essential part of the infrastructure required for a successful APS. The Childcare Strategy must provide childcare that is affordable, accessible and high quality, and that caters for the diversity of needs of families currently below the poverty line.
20. There are a number of cross-cutting issues for the APS. Housing is one of them and we recommend reversing the trend of the growing numbers of families in poverty in the private rented sector. This requires long-term investment in social housing and an end to the 'right-to-buy' Housing Executive properties, as well as greater regulation of the private rented sector.
21. We recommend a range of interventions that are required to increase the employment of disabled people, young people and older workers.
22. As the cliché goes, 'what is counted is what counts'. We recommend more than a dozen changes to the measurement of poverty and the use of indicators in monitoring progress.

# 1. Introduction: The challenge ahead

The Northern Ireland Act 1998, the cornerstone of rebuilding our society as it emerged from violent conflict, requires the Northern Ireland Executive to develop a strategy ‘to tackle poverty, social exclusion and patterns of deprivation based on objective need’. In 2015, the Northern Ireland High Court ruled that there was no such strategy in existence,<sup>1</sup> and this remains the case.

What follows is a set of recommendations which are an attempt to breathe life into an anti-poverty strategy (APS), as one of several distinct strategies which will collectively and strategically tackle the interrelated but not synonymous issues of poverty, social exclusion and patterns of deprivation.

There could not be more challenging times in which to undertake this work. There is also not a time since the 1930s when strategic and decisive action to prevent and reverse the growth of poverty was more needed. People face the humiliation of turning to food banks in ever growing numbers.<sup>2</sup> There are fewer opportunities for young people to enter the labour market and unemployment is rising sharply.<sup>3</sup> Homelessness and destitution are on the increase.<sup>4</sup> In short, these recommendations have been drafted in a period of unprecedented threats to social and economic well-being.

The most immediate threat to livelihoods stems from attempts to control the COVID-19 pandemic. Public health controls have required extraordinary disruptions to work, travel, incomes, social interactions, mental health and business activity. Governments have borrowed on a scale that was unimaginable prior to the pandemic and are building mountains of public debt for future generations.<sup>5</sup> Some of the economic and social damage will be temporary, some long-lasting. It may be years before the full consequences are realised and understood. Rising levels of poverty and destitution threaten to accompany the predicted mass unemployment, the

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<sup>1</sup> Following the St Andrews Agreement, the Northern Ireland Act 1998 was amended in 2006 to include Section 28E which states: ‘The Executive Committee shall adopt a strategy setting out how it proposes to tackle poverty, social exclusion and patterns of deprivation based on objective need’. In 2015 the Committee on the Administration of Justice won a court case against the Executive for failing to adopt such a strategy – see Justice Treacy’s Judgement (2015) **NIQB 59**.

<sup>2</sup> In June 2020, the Trussell Trust reported a year-on-year doubling of the numbers of children fed from foodbanks. **Trussell Trust (2020)** Summary findings on the impact of the COVID-19 crisis on food banks.

<sup>3</sup> At 2,470, the number of collective redundancies proposed in June 2020 for NI was the highest **monthly total** on record.

<sup>4</sup> The **Migration Observatory** suggests that nearly 1.4 million people have no recourse to public funds (NRPF) in the UK. This is an increase on previous estimates, based on 2016 data, which put the figure at 1.1 million. In 2015/16, 18,628 households presented as homeless. This rose to 19,378 in September 2019. Boyle, F. (2020) **Analysis of homelessness presenters and acceptances. A report for the Northern Ireland Housing Executive**.

<sup>5</sup> The Wealth Tax Commission proposes the UK adopt a one-off wealth tax on individuals with assets over £500,000 that would raise £260 billion over five years. Advani, A., Chamberlain, E. and Summers, A. (2020) **A Wealth Tax for the UK**.

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reduction in wages and salaries, and the restructuring of entire sectors of the economy.<sup>6</sup> Already there is evidence that some government responses to current challenges are amplifying existing social and economic inequalities.<sup>7</sup>

Even before the pandemic arrived, Northern Ireland (NI) was experiencing a unique crisis over the terms on which the United Kingdom (UK) leaves the European Union. In the years following the 2016 referendum, economic uncertainty has grown while the terms of the UK's departure have been thrashed out – within the UK and between the UK and EU negotiators. In the closing weeks of 2020, the big supermarkets warn of supply chain disruption and some food shortages.<sup>8</sup> No-one is suggesting that there are economic benefits in the short or medium term. But many suggest that one consequence of leaving the EU may be the break-up of the UK, with Scotland opting for independence and NI re-joining the EU via Irish unity.<sup>9</sup> These are profound economic and political pressures.

As the New Decade New Approach (NDNA) agreement acknowledges, there are other existential threats and unpredictable factors. One of the commitments in NDNA is to 'introduce legislation and targets for reducing carbon emissions in line with the Paris Climate Change Accord'.<sup>10</sup> This raises particular challenges for agriculture and for rural communities over the next decade.<sup>11</sup> Similarly, the transport, electricity generation and housing sectors face radical restructuring to achieve the net zero emissions targets.<sup>12</sup> If these challenges are confronted through a Green New Deal and the additional higher quality jobs that this implies, then there is the prospect of achieving social justice alongside environmentally sustainable economic activity.<sup>13</sup> As the UN Special Rapporteur on extreme poverty and human rights puts it,

*“Building back better” does not mean a return to the status quo. It means the opposite: putting public action at the service of the eradication of poverty within planetary boundaries.*<sup>14</sup>

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<sup>6</sup> Fitzpatrick, S. et al (2020) **Destitution in the UK 2020**, Joseph Rowntree Foundation. ManpowerGroup Employment **Outlook Survey Q4 2020**.

<sup>7</sup> 'The pandemic is a boon for the ultra-rich' write Goldin, I. and Muggah, R. (2020) 'COVID-19 is increasing multiple kinds of inequality'. **World Economic Forum**.  
Blundell, R. et al (2020) COVID-19 and Inequalities, Institute for Fiscal Studies. <https://www.ifs.org.uk/inequality/covid-19-and-inequalities/>

<sup>8</sup> 'Four in 10 UK food firms to cut supplies to Northern Ireland – poll', The Guardian 3 Dec 2020.

<sup>9</sup> 'Irish unification is becoming likelier', The Economist 13 Feb 2020.

<sup>10</sup> **New Decade New Approach** Jan 2020, page 8.

<sup>11</sup> The agriculture and food processing sectors in NI are a significant element of the local economy, accounting for around 70,000 jobs (47,979 farmers and farm workers, and 23,557 food and drink processing full-time and employment agency workers). The agri-food sector has been identified as a key future driver for economic development. See NI Assembly debates, 21 November 2016.

<sup>12</sup> Climate Change Committee (2020) **Sixth Carbon Budget**.

<sup>13</sup> Pettifor, A. (2019) **The Case for the Green New Deal**, London: Verso.

European Commission (2019) **The European Green Deal**.

Green New Deal Group (2008) **A Green New Deal: The first report of the Green New Deal Group**.

<sup>14</sup> De Schutter, O. (2020) **The “just transition” in the economic recovery**: eradicating poverty within planetary boundaries, Interim report of the Special rapporteur on extreme poverty and human rights, UN General Assembly A/75/181/Rev.1.

In the absence of a ‘just transition’, rapid changes in labour markets will place major pressures on state social protection systems and poverty is likely to remain stubbornly high.

In 1999, the UK Government made a commitment to end child poverty within 20 years. At the time almost a half (45%) of all children were living in households below the income poverty line and within ten years, UK child poverty had been reduced to 28%.<sup>15</sup> The UK Child Poverty Act 2010 aimed to shore up the commitments to end child poverty by enshrining four different measures of poverty, and targets for its reduction, in law for the first time. But progress stalled from this point onwards – by 2018/19, UK child poverty had come down by just two percentage points (to 26%) compared to the 2020 target figure of 5%. This reflected a change in thinking about poverty from a focus on living standards to a concern with behaviours and ‘troubled families’,<sup>16</sup> and a fundamental shift to shrinking the size and role of the public sector.<sup>17</sup> In 2016, the targets for reducing child poverty were deleted from the 2010 Act but the attempt to remove the four measures failed. This revised legislation contains a residual obligation on the Executive to make annual progress reports on child poverty, which lapses in 2021. The UK legislative imperative was effectively revised from eradicating poverty to improving ‘life chances’.<sup>18</sup> It is not surprising to find that the UK’s ranking on UNICEF’s rich countries child well-being index fell from 16th to 27th place between 2010 and 2020.<sup>19</sup>

In summary, the context in which the APS and wider social inclusion strategy, as required by law, must now be developed and actioned, is one of very unpredictable circumstances, globally and locally. At UK government level, as a matter of record and ideological predisposition, reducing poverty is not a priority. The idea that social security benefits should provide an adequate minimum below which no-one should fall is now broken and historic commitments to an inclusive welfare state increasingly undermined.<sup>20</sup>

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<sup>15</sup> This example is based on households with incomes below 60% of the median, after housing costs and anchored at 2010/11 values. House of Commons Library (2020) **Poverty in the UK: statistics, Briefing Paper Number 7096**, 18 June, page 11.

<sup>16</sup> Levitas, R. (2012) **There may be ‘trouble’ ahead**: what we know about those 120,000 ‘troubled’ families. Poverty and Social Exclusion in the UK Study.  
Mack, J. (2018) **‘Fifty years of poverty in the UK’**, chapter 1 in G. Bramley and N. Bailey, Poverty and Social Exclusion in the UK, Vol. 2 – The dimensions of disadvantage. Bristol: Policy Press. Pages 27-55.

<sup>17</sup> Taylor-Gooby, P. and Stoker, G. (2011) **‘The Coalition Programme: A New Vision for Britain or Politics as Usual?’**, The Political Quarterly, Vol. 82, No.1, pp. 4-15.  
Farnsworth, K. and Irving, Z. (eds.) (2015) **Social Policy in Times of Austerity**: Global Economic Crisis and the New Politics of Welfare. Bristol: Policy Press.

<sup>18</sup> Gordon, D. (2018) ‘Measuring poverty in the UK’, chapter 1 in E. Dermott and G. Main, **Poverty and Social Exclusion in the UK, Vol. 1** – The nature and extent of the problem. Bristol: Policy Press. Pages 17-39.  
Mack J (2017) ‘Child Maltreatment and Child Mortality’, chapter 7 in V. Cooper and D. Whyte, *The Violence of Austerity*, London: Pluto Press.

<sup>19</sup> This compares to Germany that went from 6th to 4th, Denmark, 11th to 5th and Ireland, 10th to 8th.

<sup>20</sup> The UN Special Rapporteur on Extreme Poverty and Human Rights observed, ‘The philosophy underpinning the British welfare system has changed radically since 2010.’ (2019: 20) Report of the Special Rapporteur on extreme poverty and human rights on his visit to the United Kingdom of Great Britain and Northern Ireland, UN General Assembly, **A/HRC/41/39/Add.1**

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## 2. Terms of reference

The Expert Advisory Panel was established to:

- a) help the Department for Communities (DfC) to **understand the experience** of, and issues faced by, people for whom the Strategy will deliver, including children and young people;
- b) analyse available evidence from the external research community and academia to present to DfC a **baseline position** to inform development of the Strategy;
- c) make evidence-based recommendations to the Minister on the **themes, content and key actions** that should be included in a new Strategy including a recommendation on whether an Anti-Poverty Strategy covering all age groups is appropriate or if a new standalone Child Poverty Strategy should be developed;
- d) make recommendations on the **gaps in provision** across all Northern Ireland Civil Service departments that should be addressed by a new Strategy;
- e) make a recommendation on a **definition of objective need** in relation to the Anti-Poverty Strategy.
- f) ensure that the recommended themes and actions for a new Strategy are **aligned to the Programme for Government** and informed by the relevant **international obligations**;
- g) present clear recommendations for the **use of the Strategy Co-Design Group** and DfC in developing and drafting the Strategy and action plan. These recommendations will have been discussed and agreed with the Co-Design Group prior to finalisation; and
- h) advise DfC on the **monitoring and reporting framework** that should be established to ensure effective implementation of the Strategy.

### Understanding of brief

As a Panel we understand that our recommendations should be informed by the outcomes-based approach adopted in the Programme for Government. The outcome we are addressing in this report is to achieve a reduction in poverty across the NI population to negligible levels.

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Our recommendations align most directly with five of the Programme for Government outcomes as follows:

- We have a more equal society (number 3);
- We enjoy long, healthy, active lives (number 4);
- We have more people working in better jobs (number 6);
- We care for others and we help those in need (number 8);
- We give our children and young people the best start in life (number 12).

But those experiencing poverty also have an equal right to other high level outcomes in the Programme for Government:

- To prosper through a strong, competitive, regionally balanced economy.
- To live and work sustainably – contributing to protecting the environment.
- To fulfil their potential in an innovative, creative society.
- To feel safe and respected in law, and by others.
- To be equally welcome in a shared, and confident society that respects diversity.
- To connection and opportunity through our infrastructure

There is a fundamental question as to whether or not it is within the competence of the Assembly to achieve the changes required to tackle poverty effectively. This is both a legal question of devolved and ‘reserved’ powers, as well as an issue of resources. For the most part, our recommendations do not test the limits of the Assembly’s competence. The significant redistribution of resources that an APS requires, however, is not without its challenges to UK-level policies and current constitutional relationships, as Scotland has experienced.

A case in point is the ‘relevant international obligations’ referred to in point f) above. We understand this to mean international human rights obligations, in particular those which address economic and social rights. The promise of a Bill of Rights in the 1998 Agreement has not been fulfilled to date but our terms of reference present an opportunity to build an APS on the foundation of rights conventions, even though NI is not a State Party.

We have assumed that our proposed anti-poverty recommendations will be complemented by strategies on inequalities in educational opportunity and attainment, and those covering racial equality, disability, gender, rurality, and physical, emotional and mental health.

The Panel fully recognises that the responsibility and authority to determine the final content of the APS itself, and the actions associated with it, will be the responsibility of DfC and the Minister for Communities, prior to a draft strategy being presented for public consultation and Executive agreement.

### Key assumptions

The Panel's key assumption is that the purpose of an APS is to **raise living standards and reduce living costs** for those below an agreed, objectively-defined poverty line (see section on defining poverty). This is a departure from past policies which have tended to be indistinguishable from compensatory or preventive social inclusion interventions, for example, around health, education and neighbourhoods. These wider policies sit within other outcome-based strategies which collectively address social exclusion and patterns of socio-economic deprivation, all of which are interlinked in creating a fairer more equitable, cohesive and prosperous society.

Our primary recommendations are aimed at directly raising disposable household income. But we also include secondary proposals which enable people to work more and raise living standards. The most important example is childcare which is integral to reducing child poverty.

There is a long tradition in NI of geographically-based multiple deprivation measures and policies.<sup>21</sup> There is an equally long research tradition as to the effectiveness of policies designed to combat poverty through area-based interventions. Our focus on households and categories of people, rather than on socio-economically deprived areas, is a deliberate one. It is based on the common observation that the majority of children living in poverty do not live in the most deprived areas – an area-based approach to poverty fails to cover most of the households with incomes below the poverty line.<sup>22</sup> This is not an argument against area-based policies as such, but initiatives of this type can only be regarded as anti-poverty policies if they contribute directly to raising household incomes through access to more and better-paid work, and to unclaimed benefits, and by reducing the costs of household essentials.

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<sup>21</sup> We are grateful to the Department for Communities for collecting data across NICS departments on area-based initiatives and expenditures on anti-poverty interventions. We do not have a complete picture of these as some departments were too busy with the pandemic to respond to DfC's request for information. **The Northern Ireland Affairs Committee (2019)** was sceptical that such measures were an effective response to poverty, urging the NI Audit Office to investigate.

<sup>22</sup> See: Burrows R. and Bradshaw J. (2001) 'Evidence-based policy and practice', *Environment and Planning* 2001, volume 33, pp. 1345-1348; Mitchell, R. (2001) 'Multilevel modelling might not be the answer', *Environment and Planning*, volume 33, pages 1357-1360; and Tomlinson, M. and Kelly, G. (2002) 'What's the Use of the Noble Index? Theories, Methods and Applications', in McLaughlin, E. and Kelly, G.P. (eds) *Edging Poverty Out, Anti-Poverty Strategies in Ireland North and South*. Belfast: Department for Social Development, pp. 61-87.

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Poverty cannot be reduced to negligible levels without addressing inequalities of income and wealth. As one of the leading experts on poverty says: ‘redistribution<sup>23</sup> is the only solution to child poverty – the economics are very simple and are entirely concerned with redistribution’. Income inequality is a more serious issue in the UK than in other rich countries. Of the OECD G7 countries, the UK has the second highest income inequality – the United States has the highest and Germany the lowest. The Table below compares the UK with several European countries.

**Table 1: Income inequality in 2019, by Gini coefficient and income share.<sup>24</sup>**

	GINI COEFFICIENT	SHARE OF INCOME OF BOTTOM 40%
Denmark	27.5	23.2
Germany	29.7	21.7
N Ireland	31.0	..
Republic of Ireland	28.3	22.8
UK (2018/19)	33.5	19.7

**Source:** Eurostat and Department for Communities

This immediately raises the anomaly that NI has very limited powers of taxation yet formally controls how 90% of resources are spent, a mismatch between revenue raising and spending powers that is highly exceptional, both compared to Scotland and Wales, and internationally.<sup>25</sup> Yet any realistic attempt to reduce poverty will require expenditure over time that is unlikely to be delivered under current constitutional arrangements. Compensating for the scale of the benefits/ tax credits freeze (2016 to 2020) and cuts in disability benefits alone would be a huge challenge. Nonetheless, it is open to NI to consider radical changes to social security such as introducing more universal as opposed to means-tested provision, or the scrapping of Universal Credit and the introduction of a Universal Basic Income. We believe that informed public debate on the merits and challenges involved should be encouraged.<sup>26</sup> Such discussions are complex, and the outcome cannot be forecast, but if the commitment to ending poverty is the goal, the discussion and debate is inevitable .

<sup>23</sup> Gordon, D. (2018: 27) ‘Measuring poverty in the UK’ chapter 1 in E. Dermott and G. Main (eds), Poverty and Social Exclusion in the UK, Vol. 1 – The nature and extent of the problem. Bristol: Policy Press. Pages 17-39. See also Atkinson, A. (2015: 25) Inequality: What can be done? Harvard University Press: Cambridge, Massachusetts.

<sup>24</sup> These figures are for disposable income. The higher the Gini coefficient the greater the inequality.

<sup>25</sup> Essentially this is a legacy of Partition and the subsequent funding arrangements associated with the concept of parity. See Mackley, A. (2020) **Social security powers in the UK**. Briefing Paper No. 9048, House of Commons Library. See also Mac Flynn, P. (2020) Fiscal Powers in Northern Ireland: A New Settlement, NERI Working Paper Series, NERI WP 2020/NO 68, Belfast: NERI.

<sup>26</sup> Until January 2013 Child Benefit was a universal basic income for children and is seen as central to any programme to reduce inequality. Together with a benefits disregard on earnings, it was used effectively in the Republic of Ireland to reduce poverty. See Atkinson, A. (2015: 2012-18) Inequality: What can be done? Harvard University Press: Cambridge, Massachusetts; and Department of Social Protection (2010), A Policy and Value for Money Review of Child Income Support and Associated Spending Programmes.

As a Panel we have discussed these issues at some length both amongst ourselves and with others. While we have looked at various arguments for changing the funding arrangements between the UK and NI, our conclusion is that it is not a matter on which we should make a specific recommendation. The problem lies fundamentally with the UK government's political choice, pre-pandemic, to run a low tax, low public spending economy and the knock-on consequences of this for NI. Determining how the UK government can be persuaded to recognise needs within NI, is not within the remit of the Expert Panel. It is however within the remit of the Northern Ireland Executive.

Nevertheless, the Panel believes there is scope for the Northern Ireland Executive to prioritise addressing poverty by skewing spending programmes to that end. So we have decided not to hold back on recommending funding streams or costing the eradication of poverty. Our responsibility is to state what needs to be done to tackle poverty successfully. That outcome will, of course, require sustained political commitment.

## 3. Poverty today

In this section we focus on the scale of the poverty challenge facing NI which must be addressed in any APS.

### Who is below the poverty line?

#### a) Children

Around 370,000 people are living below the poverty line in NI – that is one in every five persons.<sup>27</sup> Nearly one in every three of these 370,000 people living in poverty is a child. Along with their parents/carers, they make up nearly three out of every five people living below the poverty line. If we took action to raise the position of households with children above the poverty line, this would improve the living standards of the majority of all of those in poverty. On grounds of volume alone, reducing child poverty makes sense as a strategic priority. The growing weight of evidence of the lifelong impact of adversity in childhood, including child poverty,<sup>28</sup> and the cost of compensating for that impact, together with the ethical imperative on any civilised society to protect its young, are further reasons to prioritise the reduction of child poverty.

More than two in every three children in poverty live in households where someone is working. The vast majority of the remainder (c. 40,000) are being looked after by the 23,000 lone parents living in poverty.

For children whose parents are working to some extent, the amount of work (work intensity) which parents can undertake is crucial. Less than 10,000 children in poverty are in ‘work intensive’ households, i.e. where one parent works full-time, and the other parent works either full-time or part-time. This means that around 70,000 children have parents who lack sufficient work and hours. Increasing the availability of work, the rate of pay for that work and supports such as affordable childcare to facilitate more hours of working, will all contribute to improving the living standards of these households. Alongside better-quality and better-paid jobs, and more working hours, improving social security benefits for children will be essential.

More than one in every three children living in poverty lives in a household where someone is disabled and, for four out of five of these children, the person living with disability is an

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<sup>27</sup> The figures for the numbers living below the poverty line are all taken from the Households Below Average Income series for 2018/19. They are based on households below 60% of the median income, unadjusted for inflation and after housing costs. See **Department for Communities**.

<sup>28</sup> ‘There is strong evidence that household financial resources are important for children’s outcomes and that this relationship is causal’ – Cooper, K., and Stewart, K. (2013) Does money affect children’s outcomes? York: Joseph Rowntree Foundation.

adult.<sup>29</sup> Improving the circumstances of children in such circumstances requires attention to child and adult disability supports both in and out of work.

### **b) Working Age People**

Working age people without dependent children account for nearly one in every three people living below the poverty line.

About 35,000 are young single people (under 29), with men outnumbering women by three to one. Recessions are particularly hard on this group. Older age groups typically sustain their employment rate while that of younger people plummets. Nevertheless, the number of over 55-year olds of working age (without dependent children) who are living in poverty – 39,000 – is higher than the younger group. Long-term sickness and disability will be factors for some of this group. Around 43,000 working age people (without dependent children) living in poverty are people with disability.

### **c) Pensioners<sup>30</sup>**

Less than one in ten of all those in poverty are pensioners. This is a significant change from ten years ago when pensioners made up one in six of those in poverty. Almost one in every three pensioners in poverty (just under 10,000 of the 31,000) lives alone. Single pensioners make up about a quarter of all pensioners. They are therefore over-represented in the poverty figures compared to all pensioners.

### **Where do those in poverty live?**

The majority (60%) of people in poverty live outside the wider Belfast metropolitan area (comprising the four council areas of Belfast City, Lisburn & Castlereagh, Antrim & Newtownabbey, and North Down and Ards). Belfast City Council area accounts for one in five (20%) of the NI total. Derry City and Strabane has the highest poverty rate of all council areas at 27%.

### **How serious is poverty?**

Without going into destitution at this point, there are at least two ways of looking at how serious poverty is. The first concerns the duration of poverty: the longer people live in poverty, the more any stock of essential items such as washing machines and fridges will break down, savings will be exhausted, and debts will mount. In any event, most of those below the poverty line have few assets or savings. Only two out of five have any savings at all. Parents of 72,000 children say they

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<sup>29</sup> Some of these children will be 'young carers' who are 'an important subset of the carer population, with around 6,500 young people aged under 18 (4% of all carers) engaged in various levels of caring in Northern Ireland.' Russell, R. (2018) **Carers in Northern Ireland: Some key statistics**. Northern Ireland Assembly Research and Information Service.

<sup>30</sup> This category is taken from the reported results of the Family Resources Survey and is based on receipt of a pension. It therefore reflects the variable ages at which people receive a pension rather than being age-specific. The 'working age' category above, in contrast, is based on those aged 16-64.

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cannot afford to replace worn out furniture; for 58,000 children, parents cannot replace broken electrical goods and for 27,000 children, the parents cannot afford to heat the home. These 2018/19 figures pre-date the negative economic impact of COVID-19 which is yet to be fully understood.

As a way of measuring poverty duration, the 2010 Child Poverty Act required that ‘persistent’ poverty be recorded.<sup>31</sup> A household was defined as being in persistent poverty if it was below the poverty line in any three of the past four years.<sup>32</sup> This measure has never featured in poverty reporting for NI and we recommend that it should (see Section 10).

Scotland’s report on persistent poverty<sup>33</sup> includes figures for NI and from this we can see that for the years 2014–18 the rate of persistent poverty for children was 17% – that is around 76,000 children. So two-thirds of child poverty is made up of children who have lived in poverty for three of the past four years. This is the same as the rate for Scotland, but lower than Wales (19%) and England (20%). NI has the same persistent poverty rate for working age adults as Scotland and England (11%) (Wales, 12%). For pensioners, NI’s persistent poverty rate is 5% compared to Scotland (12%), England (11%) and Wales (11%).

**Table 2: Relative median at-risk-of-poverty gap (2019)**

% BELOW LINE	UNDER 16 YEARS	16 TO 64 YEARS	65 YEARS OR OVER	UNDER 18 POVERTY RATE†
Denmark	11.6	25.5	8.1	10.3
France	17.0	17.8	13.0	18.2
Germany	15.8	26.1	18.8	12.1
Ireland	16.3	17.7	6.0	14.1
Netherlands	16.7	18.6	14.2	13.6
N Ireland*	18.0	23.0	n/a	24.0
UK (2018)	20.0	25.4	21.0	20.0

\*2018/19 based on ‘absolute’ poverty line.

†Below 60% of median income in 2019 (2018/19 for UK and NI, before housing costs)

Source: Eurostat and Department for Communities

<sup>31</sup> A recent analysis of the UK Millennium Cohort Study found that persistent poverty (19.4% of all children) increased the risk of obesity, mental health problems and longstanding illness. Lai, E., Wickham, S., Law, C., Whitehead, M., Barr, B. and Taylor-Robinson, D. (2019) ‘Poverty dynamics and health in late childhood in the UK: evidence from the Millennium Cohort Study’, Archives of Disease in Childhood 104:1049–1055.

<sup>32</sup> The European definition of persistent poverty differs. It is based on poverty in the current survey year and any two of the previous three years. **The latest figures (for 2017)** are, for example, UK 7.8%, Ireland 9.3%, Denmark 5.5%, France 8%, Netherlands 5.6%, Germany 11.6%.

<sup>33</sup> These are ‘experimental’ statistics and in the case of NI, based on a sample of 2,000 households from 2001. The Scottish Government (2020) **Persistent Poverty in Scotland 2010-2018**.

Another way of looking at the seriousness of poverty is to consider how far below the poverty line households are in any year. This is a standard measure collected for all European countries and should be routinely published for NI.<sup>34</sup> Table 2 shows this ‘poverty gap’ for selected European countries – the higher the percentage, the worse the position is.<sup>35</sup> The final column shows the at-risk-of-poverty rate for under 18 year olds. Denmark has a fairly low poverty gap for children and a low poverty rate for under 18 year olds. In contrast France has a much higher poverty gap and poverty rate, as does the UK. This indicates – at least for the countries shown – that higher poverty rates are associated with higher poverty gaps: child poverty is both more widespread and deeper in the UK than in the Netherlands or Germany.

Table 3 below shows the gap between the poverty line and the median (middle) household income of all those children below the line in NI. The average (mean) gap is likely to be higher than the figures shown.<sup>36</sup> The figures in Table 3 suggest that it would take about six million pounds per week to lift all children out of poverty, or around £306 million per year.<sup>37</sup> Ending pensioner poverty would cost in the region of £98 million per year. A further £380 million would lift working age adults without dependent children out of poverty. One-fifth of the gap is due to housing costs – a shortfall in housing benefit relative to rents charged. A total bill of some £780 million per year is an estimate of the cost of lifting people out of poverty, less than was spent subsidising restaurant-goers in August 2020.<sup>38</sup> This is about 3.5% of total NI public expenditure.<sup>39</sup>

**Table 3: Poverty Gap for Children in NI 2010/11 to 2018/19, real terms**

YEAR	POVERTY GAP (£/WEEK)	POVERTY GAP %
2010/11	51	24
2011/12	54	24
2012/13	49	21
2013/14	54	23

<sup>34</sup> The ‘poverty gap’ is based on how far the median in-poverty household is below the relative income poverty line. Bradshaw and Keung argue that poverty gap data should be routinely published as part of the HBAI series. Bradshaw, J. and Keung, A. (2019) ‘UK child poverty gaps are still increasing’, *Poverty*, 162: 11-14.

<sup>35</sup> The figures for NI are not strictly comparable.

<sup>36</sup> **Bradshaw and Keung’s analysis** of the poverty gap between 2007/08 and 2013/14 shows that the mean is higher than median in all the examples given.

<sup>37</sup> Based on the median gap multiplied by the number of children living below the ‘absolute’ poverty line, after housing costs, in 2018/19.

<sup>38</sup> The UK Treasury spent £849 million subsidising meals in 49,000 restaurants through the ‘Eat Out to Help Out’ scheme which ran from 3 to 31 August 2020 (The Guardian 25 November 2020). The scheme accelerated the spread of COVID-19 according to researchers at Warwick University (The Independent 30 October 2020).

<sup>39</sup> This was £21.69 billion in 2018/19 and £22.70 billion in 2019/20 (outturn figures). HM Treasury (2020) Public Expenditure Statistical Analyses 2020, CP 276, July 2020.

YEAR	POVERTY GAP (£/WEEK)	POVERTY GAP %
2014/15	59	25
2015/16	42	18
2016/17	54	23
2017/18	47	19
2018/19	55	22

Source: Department for Communities (November 2020)

The above sums need to be put alongside the direct and indirect financial and social costs poverty. For instance, the costs of child poverty in NI five years ago were estimated to be £825 million annually, of which £420 million were the direct costs of services.<sup>40</sup> More broadly, the overall costs of poverty may be as high as 5% of total government expenditure in the Republic of Ireland, or 4% of GDP in the UK.<sup>41</sup> Whatever the figures, the costs of poverty are currently invisible in much of the public discussion around poverty and should be properly estimated on a regular basis.

They are certainly higher than the costs of eradicating poverty through income redistribution.

### Is poverty getting worse?

The short answer to this question is: it depends where you start from and what income series is used. For NI, income poverty data go back to 2002/03 and the early 2000s saw some of the highest rates of poverty recorded to date. Using the series that anchors poverty rates to 2010/11 values and considers disposable income after housing costs are deducted, the rates of pensioner poverty declined steadily from 23% in 2002/03 to 9% in 2018/19. The child poverty rate peaked in 2005/06 at 30%. The rate was down to 26% as the banking crisis hit but rose to 28% by 2011/12. It fell to the lowest ever figure, 19%, in 2017/18, rising to 24% the following year. For working age adults, the highest poverty rate, 23% in 2011/12, reflects the recession of the early 2010s. The lowest levels since the series began occur from 2015/16. But the rate for 2018/19 – 17% – is above the levels recorded in 2006/07 and 2008/09. The statistically significant rise in poverty for 2018/19 may not be sustained for 2019/20 but all the indications are that poverty is rising during the pandemic. On this basis, poverty is getting worse since the mid-2010s.

<sup>40</sup> See Hillyard, P. (2017) p. 11 in **Towards implementing an Anti-Poverty Strategy for Northern Ireland**, The report of a conference organised by the NI Anti-Poverty Network and Child Poverty Alliance held in Belfast on 5th April 2016.

<sup>41</sup> Collins states that the costs of poverty can be estimated where poverty is a determining factor in the need and demand for public services, such as health, housing, policing, justice and social security. He calculates these as €4.5 billion, or 5% of total government expenditure annually in the Republic of Ireland. Collins, M. (2020) **The Hidden Cost Poverty: Estimating the Public Service Cost of Poverty in Ireland**, Dublin: St Vincent de Paul. For the UK figure, see Bramley, G., Hirsch, D., Littlewood, M. and Watkins, D. (2016) *Counting the cost of UK poverty*, York: Joseph Rowntree Foundation.

The series that uses current values ('relative' income poverty) gives a somewhat different picture with less clear improvement over time. While the rate of pensioner poverty halves (from 20% to 10%) between the late 2000s and 2018/19, working age poverty for the last four years has been at a similar level to what it was for most of the 2000s. It rose during the recession (reaching a high point of 23% in 2014/15) but essentially there has been little improvement over two decades. Child poverty rates are higher now than the average between 2002/03 and 2008/09. In 2015/16 the rate was 23%. The 2018/19 figure is 27%. In fact, there are 24,000 more children living in poverty in 2018/19 than in 2006/07.

The measure of child poverty that combines low income with a lack of basic items shows a decline from 12% in 2010/11 (51,000 children) to 7% in 2018/19, though the latest data show a slight increase in numbers. Later, we propose changes to the 21 adult and child-specific deprivation items and to the method for calculating deprivation.<sup>42</sup>

So in recent years, both income poverty series indicate that pensioner poverty has declined slightly while child and working age poverty are now rising. On the combined income and deprivation measure of child poverty, the downward trend appears to have halted. What does this suggest as a baseline for monitoring progress on poverty in the future? The data indicate either 2015/16 or 2017/18 as low points from which to start. In terms of actual numbers in poverty, there is negligible difference between the two years. In terms of policy, however, the major 'welfare reform' changes (including Universal Credit) began to be implemented in 2016 so it makes sense to use 2015/16 as the baseline year.

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<sup>42</sup> In 2010/11 the deprivation items were changed which caused a drop from 16% to 12% in the child deprivation rate. See pp. 13-15 of Tomlinson, M., Hillyard, P. and Kelly, G. (2014) 'Child poverty in Northern Ireland: Results from the Poverty and Social Exclusion study', in **Beneath the surface: Child poverty in Northern Ireland**, Belfast: Child Poverty Alliance.

## 4. Key components of an anti-poverty strategy

### **Inclusion and consultation**

One of the terms of reference is to help DfC understand the experience of those living in poverty. There are two main ways of doing this: firstly, from the experience of those in poverty and secondly, from public and third sector service providers in daily contact with the children and adults living in households with low incomes. Both sources are important but the key point is that ‘inclusion’ and ‘consultation’ are not once-off events. They need to be seen as dynamic processes that are an integral part of responses to poverty as situations change and social needs develop.

This poses the first challenge: to ensure that those with ‘lived experience’ of poverty and destitution – the individual adults, children, and families (howsoever constructed) – are active participants in the process from the outset. This raises resource issues that should not be insurmountable, but without support, those living in poverty are unlikely to be directly and actively engaged in the development of the strategy.

We make three related recommendations regarding the co-design process itself:

- 4.1 The co-design group should include several individuals with lived experience of persistent poverty and not be confined to those organisations providing services, or which advocate, campaign and speak on their behalf. This is not to diminish or undervalue the work of these groups but to ensure the strategy is also informed by the experiential knowledge and expertise of those whose lives will be directly impacted by the implementation of the strategy.**
- 4.2 A financial resource specifically dedicated to ensuring active community engagement needs to be made available to support, where needed, those agencies and groups at local and neighbourhood-level with day-to-day contact with the diversity of people in poverty to facilitate the conversations/discussions which need to be held.**
- 4.3 That, specifically, the voices of children and young people also be directly heard within the process.**

Linked to the design, implementation and accountability for progressive realisation of the intended outcomes, we recommend that the strategy includes the following:

- 4.4 A ‘Poverty Truth’ process in which the lived experience of poverty is ethically recorded, published, and routinely brought to the attention of stakeholders and policymakers.<sup>43</sup>**
- 4.5 Ensures that poverty truth evidence is considered by an Anti-Poverty Commission annually (see below).<sup>44</sup>**
- 4.6 Establishes a rolling programme of consultation with children and young people living below, at or near the poverty line (e.g. those in receipt of free school meals), particularly around what they cannot have and do, and the personal and social consequences of these exclusions.**
- 4.7 Recognising the disproportionate impact of recent social security changes on disabled people, establishes a rolling programme of engagement with those affected to inform mitigation strategies and new provision.**
- 4.8 Counters the relative invisibility of marginalised groups (Travellers, people of colour, newly arrived, refugees, those without recourse to public funds and others) to anti-poverty policy by inclusive programmes of support and engagement.**
- 4.9 Carries out periodic (e.g. every five years) representative population-wide sample surveys to establish items and activities (old and new) that the majority consider to be basic necessities, and which represent minimum standards.**

### **A rights-based approach**

The Panel brief is to support the development of an APS that is founded on human rights conventions. This is much more than a legal principle. Awareness of social rights is an important antidote to the stigmatisation of people experiencing poverty and destitution which deters many of those entitled to support from seeking it, increasing their vulnerability to destitution. We recommend that:

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<sup>43</sup> Scotland, Wales and some English local authorities provide examples. See **Poverty Truth Network**.

<sup>44</sup> Scotland’s Poverty and Inequality Commission **provides a model**.

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#### **4.10 The APS should be based on the social and economic rights set out in:**

- Universal Declaration of Human Rights (1948)
- International Convention on the Elimination of All Forms of Racial Discrimination (1965)
- International Covenant on Economic, Social and Cultural Rights (1966)
- UN Convention on the Elimination of Discrimination against Women (1979)
- UN Convention on the Rights of the Child (1989)
- Charter of Fundamental Rights of the EU (2000)
- UN Convention on the Rights of Persons with Disabilities (2006)

#### **4.11 It is recommended that the Assembly prioritises and passes an Anti-Poverty Act enshrining in law the commitment of the Northern Ireland Executive to Sustainable Development Goal no.1 (2015) which is to ‘end poverty in all its forms everywhere’. The Act should include:**

- i. A commitment to ‘the right of everyone to social security, including social insurance, that is available, adequate and accessible’ (International Covenant on Economic, Social and Cultural Rights).
  - ii. A legal duty to reduce child poverty, setting targets and timetables for 2030 and beyond, and including the four objective measures of poverty described in the Child Poverty (Scotland) Act 2017 (see Section 10 below).
  - iii. A legal duty to ensure that children are well-nourished and free from ‘food insecurity’.
  - iv. Requirements on Ministers to make delivery plans and annual progress reports, including a duty to review plans and progress against targets every five years.
  - v. Duties placed on the public authorities named in the Children’s Services Co-operation Act (NI) 2015 to report annually on actions taken to meet the child poverty reduction targets.
  - vi. A defined role and accountability for arms-length agencies including the community and voluntary sector in the provision of advice and other services supporting the implementation of APS.
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- vii. Provisions for an Anti-Poverty Commission (APC) (modelled on Scotland's Poverty and Inequality Commission) with responsibilities to a) monitor progress on reducing poverty and income inequality; b) promote the reduction of poverty and income inequality; and c) advise the Executive on any matters relating to poverty including the impact of UK and NI policies and resource-use on poverty rates and levels of income inequality. The composition of the APC should include only persons who have experienced poverty, who have worked with persons experiencing poverty and who are experienced poverty researchers and policy makers.
- viii. Make discrimination in the provision of goods and services on grounds of socio-economic status unlawful and implement the commitment in New Decade New Approach to introduce the Age, Goods and Facilities and Services Bill as the basis for ensuring that no one is discriminated against because of their age.
- ix. Require the 'poverty proofing' of policies across public and arms-length bodies through the introduction of the 'socio-economic duty' set out in Section 1 of the Equality Act 2010. This requires public bodies, 'when making decisions of a strategic nature about how to exercise their functions, to have due regard to the desirability of exercising them in a way that is designed to reduce the inequalities of outcome which result from socio-economic disadvantage'.
- x. Require the APS to advocate, support and advance economic and social policies across government which sustain living standards above the poverty line, and which prevent people now and in the future from falling below the poverty line.

#### **4.12 The APS should have regard to the cycle of business of the Committee on the Rights of the Child and other relevant UN Committees.**

**4.13 The APS must include policies aimed at eradicating destitution, hunger, and 'severe' poverty, including homelessness. No adult or child should be excluded from emergency funds or food provision because of a 'hostile environment' immigration policy.** <sup>45</sup> These policies must be strategic in nature, for example, hunger cannot be sustainably solved with the distribution of food parcels or emergency food aid. Food poverty can only be solved by a social security system which provides people with enough money to buy the food and essentials they need, by access to secure work, and wages that match the cost of living. <sup>46</sup>

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<sup>45</sup> With the aim of creating 'a really hostile environment for illegal migration', Home Secretary Theresa May introduced a range of measures including the requirement that employers and landlords check people's immigration status. This might include 'no recourse to public funds' and, in the case of asylum seekers, no right to work. Grierson, J. 'Hostile environment: anatomy of a policy disaster', *The Guardian* 27 August 2018. The pandemic has caused destitution for many who have the right to work but are unable to work because of the pandemic, because they are barred from having recourse to public funds, a status that the Prime Minister was unaware of. **Bridge, O. (2020)** No Recourse to Public Funds: Prime Minister 'Unaware' of Own Policy of Deprivation', 29 May.

<sup>46</sup> Sabine Goodwin of Independent Food Aid Network **writes:** 'The bottom line is that emergency food parcels cannot solve poverty. That's never been the case and now the situation is far, far worse.'

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## Poverty definition and objective need

The court judgement referred to in the Introduction, that the Executive lacked an APS, was on the basis that a strategy ‘must aim to be effective, its effectiveness must be capable of measurement and the actions which are taken in attempting to implement that strategy must be referable back to that overarching strategy’. The judgement continued:

*The concept of “objective need” is obviously central to the statutory provision the intention of which is to remove or reduce the scope for discrimination by tying the allocation of resources to **neutral criteria that measure deprivation** irrespective of community background or other affiliation. (Emphasis added)*

The starting point for such ‘neutral criteria’ is a definition of poverty that describes what people are deprived of, conceptualised in such a way that poverty can be measured. It should not involve, or refer to, community background or other affiliation as part of the criteria. We recommend that:

### **4.14 The APS should be based on a definition of poverty that refers to social as well as material needs. The definition should be easily expressed as a measurable standard of living below which no-one should fall. For example:**

*People are living in poverty if their income and other resources are so low that they are unable to meet their basic needs, including participation in society.*

Here, objective need includes deprivation of income, set at an agreed level, and indicators demonstrating that basic needs and social activities are lacking because they are unaffordable. The Family Resources Survey is capable of measuring objective need on this basis as it collects data on disposable income, basic necessities that households lack and social activities that people are missing out on.

Objective need as described above is at the heart of the four measures for monitoring levels of child poverty set out in Section 10. In addition to the proposed legal requirement to monitor child poverty using these four measures, we recommend:

### **4.15 That the long-established household income measures, with minor modifications, are retained and reported as now in the Households Below Average Incomes series for all persons, working age adults and pensioners. Results for material and social deprivation should also be published. (See section 10)**

**4.16 The APS should quantify total objective need by auditing the ‘costs of poverty’ – that is, the additional public service costs of poverty – and by estimating the expenditure required to end household poverty based on the recommendations in this report. This should be compliant with the recommendations of the UN Committee on the Rights of the Child.<sup>47</sup>**

**4.17 Across all government departments, the APS should at the outset, and periodically, identify programmes and total expenditure that are targeted on the basis of area-based deprivation, and evaluate their impact on household poverty.**

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<sup>47</sup> See the para 13 of the Committee’s Concluding observations on the fifth periodic report of the United Kingdom of Great Britain and Northern Ireland, 2016. CRC/C/GBR/CO/5.

## 5. Work, pay and the benefits system

There are two key ways in which the household incomes of those in poverty can be raised. Firstly, some of the poverty of working age people can be tackled through more jobs, more hours and larger pay packets, including dealing with the problem of ‘exclusionary work’.<sup>48</sup> NI recorded its highest ever employment rate in the last quarter of 2019 for both men (76.2%) and women (68.8%), and this is unquestionably a factor in moderating poverty rates.<sup>49</sup>

The level of the statutory wage floor – the National Living Wage (NLW) – is another important issue. The wage floor is set by Westminster on a UK-wide basis<sup>50</sup> and the policy aim is to raise the NLW (introduced in 2015) to two-thirds of median UK earnings by 2024. This should not be confused with the campaign for a ‘real’ living wage which sets the wage floor at a higher level. Some employers voluntarily subscribe to this living wage floor. But many do not, in particular contractors and sub-contractors undertaking public service work on behalf of government departments. It has been put to us that many child care and social care providers would go out of business if they were required to pay the real living wage. Clearly, the current business model for the provision of these vital services needs to be changed. This is a government responsibility.

The public sector pay freeze announced in November 2020 and high unemployment rates will drive down pay rates generally and have a disproportionate affect on NI where 1 in 4 employees are working in the public sector.<sup>51</sup> So unless an alternative model for increasing the public revenue is applied, the 2024 government target is unlikely to be reached. Refusing to countenance increasing the public revenue cannot continue to be an acceptable argument for continuing poverty.

Not all working age people are able to work and, equally important, not all are in a position to work. The so-called ‘economic inactivity rate’ in NI is typically five to six percentage points above the rate in Britain – 26.9 compared to 20.9. Some of this difference is explained by higher rates of chronic illness and disability in workless households and is partly related to the past decades

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<sup>48</sup> This refers to employment that is highly insecure, harmful (physically and mentally) and characterised by poverty (‘in-work poverty’). See Bailey, N. (2018) ‘Employment, poverty and social exclusion’, chapter 6 in G. Bramley and N. Bailey, *Poverty and Social Exclusion in the UK, Vol. 2 – The dimensions of disadvantage*. Bristol: Policy Press. Pages 159-178.

<sup>49</sup> See data from the **Labour Force Survey**.

<sup>50</sup> New Decade New Approach includes agreement that powers to set minimum wage levels should be made a devolved matter.

<sup>51</sup> As at **June 2020**. This compares to 1 in 5 for Scotland and Wales.

of political violence.<sup>52</sup> In the UK, 27% say they are out of the labour market because of sickness or disability. The figure for NI is 36%.<sup>53</sup> Another factor is ‘looking after the family or home’ – one in five of those of working age give this as a reason for not being in the labour market; and it is the same proportion whether they would like a job or not. Clearly the lack of affordable childcare provision for when and where it is needed most by low-income households, remains a significant issue and one which is central to gender inequalities in employment and pay.<sup>54</sup>

At April 2020, an estimated 10% of employees in NI were paid an hourly rate below the statutory minimum and a quarter (25.3%) were paid less than the real living wage.<sup>55</sup> Both the voluntary real living wage and the statutory NLW are important mechanisms for addressing the poverty of working age families. At present, however, many low paid workers have their incomes supplemented through tax credits and Universal Credit. For those in zero-hours and intermittent employment, the complexity of Universal Credit is a demonstrable deterrent in seeking variable hours or short-term employment.

The second way of raising people out of poverty is by providing a higher income floor through the benefits system. The intention of ‘welfare reform’ was to raise incomes through Universal Credit that would always ‘make work pay’. Instead, the safety net has been undermined by prioritising restrictions on public expenditure over the reduction of poverty in such a way that there is much ground to be made up just to restore the value of benefits to what they were ten years ago.<sup>56</sup> This is illustrated in Table 4 below.

Within the overall ‘austerity’ policy, pensioners have fared better than children and working age adults, through the so-called ‘triple lock’. By 2018/19 NI’s annual public expenditure in real terms on pensions was £970 million more than it was in 2010/11.<sup>57</sup>

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<sup>52</sup> Horgan, G. (2006) ‘Devolution, Direct Rule and Neo-liberal Reconstruction in Northern Ireland’, *Critical Social Policy* 26(3): 656–668.  
 Hillyard, P., Rolston, B. and Tomlinson, M. (2005) **Poverty and Conflict in Ireland: An International Perspective**, Dublin: Combat Poverty Agency.  
 Tomlinson, M. (2013) **Legacies of Conflict: Evidence from the Poverty and Social Exclusion Survey 2012**. Northern Ireland Assembly, Knowledge Exchange Seminar Series 3.  
 Tomlinson, M. (2016) ‘Risking peace in the ‘war against the poor’? Social exclusion and the legacies of the Northern Ireland conflict’, *Critical Social Policy*, 36(1): 104-123.

<sup>53</sup> Labour Force Survey (NI), July-September 2020, Tables 2.21 and 2.23.

<sup>54</sup> For an analysis of the policy issues surrounding childcare, see Northern Ireland Congress of Trade Unions (2019) **Childcare in Northern Ireland: Cost, Care and Gender Equality**.  
 Wilson, L. (2020) **How Unequal? The unadjusted gender pay gap in earnings in Northern Ireland and the Republic of Ireland**, Nevin Economic Research Institute.

<sup>55</sup> See Wilson, L. (2020) Low pay in Northern Ireland: **An Update**, 16 November, and (2019) Low Pay in Northern Ireland, NERI **Research Brief, 65**.

<sup>56</sup> By 2018/19 in Great Britain, 2% less of GDP (c. £45 billion) per annum was spent on tax credits and benefits than in 2013/14. Gardiner, L. (2019) **The shifting shape of social security: Charting the changing size and shape of the British welfare system**. London: Resolution Foundation.

<sup>57</sup> This is adjusted downwards to take account of the increase in the older population (aged 65+). Calculated from HM Treasury Public Expenditure Statistical Analysis tables using GDP deflators.

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Table 4 shows that Child Benefit rates have been reduced in real terms by more than 18% or by £4.65 per week in the case of the first child and £3.03 for an additional child. This is a cut of £87 million to the annual spending on Child Benefit in NI by 2019. Even in the short period since 2015/16, we were spending £161 million less per year on child and family benefits by 2018/19.<sup>58</sup> Expenditure on all child and working age benefits was £193 million less than in 2015/16.

**Table 4: Change in real value of selected benefits, 2009 to 2019**

BENEFIT	RATE FROM APRIL 2019 (£PW)	REAL LOSS/GAIN (£PW)	REAL CHANGE (%)
Child Benefit, first child	20.70	-4.65	-18.34
Child Benefit, additional child	13.70	-3.03	-18.11
Employment & Support Allowance (single person)	73.10	-7.35	-9.14
Jobseeker's Allowance (single person)	73.10	-7.35	-9.14
Basic State Pension, single person <80	129.20	+10.03	+8.42
Basic State Pension, couple <80	206.65	+16.10	+8.45

Source: DWP Benefits inflation tables, 2019

Jobseeker's Allowance, never generous compared to unemployment benefits in most European countries, is worth £7.35 less per week than a decade ago, a real reduction of 9%.<sup>59</sup> In contrast the basic state pension for a single person has been increased by £10 per week and for a couple, by £16 per week, a real rise of more than 8%. Treating pensioners marginally better was not a novel policy. The basic state pension was increased more in real terms in the ten years prior to 2009 than it was between 2009 and 2019. It went up by 20% in real terms – by £19.70 per week from 1999 to 2009. Jobseeker's Allowance, on the other hand, saw a more modest 5% increase over the same period. Child Benefit, a key policy lever for reducing child poverty, was increased by 16%.

The decade-long erosion of benefit standards has been supported by a long-term campaign of vilification against those in poverty, reminiscent of the 'war against the poor' of the 1980s.<sup>60</sup> As a result, there has been a marked change in social attitudes towards benefit recipients, especially the long-term sick and disabled.<sup>61</sup> At the heart of the 'shame game' is the idea that people living in poverty only have themselves to blame for the hunger of their children, why

<sup>58</sup> Calculated from HM Revenue and Customs (2020) Child Benefit Statistics, Annual Release 2019.

<sup>59</sup> **OECD data on unemployment benefits** as a share of previous income show the UK has the worst provision of all EU countries.

<sup>60</sup> See Gans, H. (1995) *The War Against the Poor: The Underclass and Anti-poverty Policy*. New York: Basic Books.

<sup>61</sup> Dorling, D. (2014: 112) *Inequality and the 1%*. London: Verso Books.

they fare badly in the labour market and why they must rely on benefits.<sup>62</sup> Not being able to afford a funeral for a loved one is a particular source of humiliation.<sup>63</sup> The Department of Work and Pensions' practice of lumping together 'fraud' and 'error' when publishing data on benefits has the effect of labelling administrative error as claimant criminality. Separating them, as recommended some years ago, will 'reduce the risk of confusion or conflation of these statistics in media reporting and public perceptions about benefit fraud'.<sup>64</sup>

But not all those on 'welfare' are the target of such shaming. The 'fiscal welfare' of tax reliefs on, for example, private pensions contributions, corporate research and development, the film industry and reliefs on capital gains, are virtually undocumented in terms of who gets what.<sup>65</sup> The UK is thought to have 362 'tax expenditures', only 111 of which have been costed. The 23 largest of these amounted to £143 billion in 2018/19.<sup>66</sup> Efforts by the Public Accounts Committee to make fiscal welfare more accountable have made little progress.<sup>67</sup>

Two features of the changes to taxes and benefits over the past decade stand out. One is the regressive nature of many of the changes and the second is that households in NI have been badly affected because of household structure and disability prevalence.<sup>68</sup> Basically, the poorest 30% have got poorer while the richest 30% have become even better off. Households with children where there are no disabilities are very slightly worse off on average, but households with a disabled child are over £2,000 worse off per year. The implementation of Universal Credit itself has been very costly (£566 million by end of 2018), all for the aim of reducing NI's social security bill by £3 billion by 2025/26.<sup>69</sup> The biggest slice of this is likely to come from the 2016-20 freeze on working age benefits/tax credits and the replacement of Disability Living Allowance with Personal Independence Payment. It needs to be stated clearly that reducing the social security bill is not the same thing as reducing the objective need for social security support.

The introduction of algorithms for managing benefit eligibility and conditionality has not reduced poverty. But there is considerable evidence that it has added to the anxiety and indignity of those who need the support of social security benefits. Universal Credit was the first major UK

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<sup>62</sup> O'Hara, M. (2020) *The Shame Game: Overturning the Toxic Poverty Narrative*. Bristol: Policy Press.

<sup>63</sup> See **Marie Curie**.

<sup>64</sup> Work and Pensions Committee (2014: 10) *Fraud and error in the benefits system*, Sixth Report of Session 2013–14. HC 1082.

<sup>65</sup> Sinfield, A. (2018) 'Fiscal welfare and its contribution to inequality', chapter 5 in Needham, C., Heins, E. and Rees, J. (eds) *Social Policy Review 30*. Bristol: Policy Press. pp.91-110.

<sup>66</sup> National Audit Office (2020) *The management of tax expenditures*. HC 46, Session 2019-20, 14 February.

<sup>67</sup> 'Despite our repeated examination of this topic since 2013, HM Treasury and HM Revenue & Customs (HMRC) have made unacceptably slow progress in improving their management of tax reliefs. It is staggering that they still have insufficient understanding of the cost and value for money of tax reliefs, as well as who benefits from them.' Public Accounts Committee (2020) *Management of tax reliefs*. HC 379, 20 July.

<sup>68</sup> Reed, H. and Portes, J. (2019) *Cumulative impact assessment of tax and benefit reforms in Northern Ireland*, Belfast: Northern Ireland Human Rights Commission.

<sup>69</sup> See pages 54 and 61 of Northern Ireland Audit Office (2019) *Welfare reforms in Northern Ireland: Report by the Comptroller and Auditor General*, Belfast.

government service to be made “digital by default”, ‘thus putting some of the most vulnerable first in line for what amounts to a nationwide digital experiment... The British welfare state is gradually disappearing behind a webpage and an algorithm, with significant implications for those living in poverty’.<sup>70</sup>

The inadequacy of benefits – particularly Child Benefit and the long-term attrition in housing benefit value – has become a significant driver of poverty. Added to this, conditions on benefit receipt have increased, modes of delivery (including who receives benefits) have changed, eligibility has become more restrictive and ‘digital by default’ access more exclusionary, especially for those lacking internet links and skills. The introduction of Universal Credit is widely regarded as a failure, judged by the objectives of its architects (increasing work incentives, simplification of means-tested benefits, efficiency/cost effectiveness). The five-week wait has been shown to be the main cause of the rise in food bank use and increases in debt and hardship. Around £1 in £10 of Universal Credit is paid incorrectly yet claimants are made to pay for departmental errors through impoverishing deductions.<sup>71</sup> Universal Credit has been very costly to implement for gains that will never be realised, and it has generated a significant volume of work for the advice sector in supporting more vulnerable claimants.

Not only has the real value of working age benefits been lowered across the board, but also two specific restrictions on the amount of benefit a household may receive have been introduced. The first is the ‘benefit cap’, a limit on the total amount of benefits a household may receive in a year. In NI, the welfare reform mitigations package currently offsets the benefit cap for 830 out of the 1,870 households affected. This means that around 3,600 children remain affected by the benefit cap. The second restriction is the ‘morally odious’ two-child policy<sup>72</sup> – ‘the worst social security policy ever’ – under which no allowance is made for a third child in a family born after April 2017, unless the mother of that child declares the child is the consequence of rape (or is part of a multiple birth).<sup>73</sup> We estimate that in April 2020 there were 21,350 children living in households subject to the two-child limit in NI by virtue of their receipt of Child Tax Credit (administered in England).<sup>74</sup> A further 8,050 children were affected by the two-child limit imposed through Universal Credit. Close to 33,000 children, therefore, are affected by these restrictions in NI.

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<sup>70</sup> UN Special Rapporteur on Extreme Poverty and Human Rights (2019: 13) Report of the Special Rapporteur on extreme poverty and human rights on his visit to the United Kingdom of Great Britain and Northern Ireland, U N General Assembly, A/HRC/41/39/Add.1. See also The Guardian 15 October 2019, ‘One in three councils using algorithms to make welfare decisions’ and 22 June 2020, ‘Universal credit rules irrational and unlawful, judge says’. Human Rights Watch (2020) **Automated Hardship**, How the Tech-Driven Overhaul of the UK’s Social Security System Worsens Poverty.

<sup>71</sup> House of Commons Public Accounts Committee (2020) Department for Work and Pensions Accounts 2019–20, HC 681, page 5.

<sup>72</sup> Bradshaw, J. (2017) ‘**Why the two-child policy is the worst social security policy ever**’, Social Policy Association blog.

<sup>73</sup> There are other exceptions but proving ‘non-consensual conception’ is the main one. This is influencing decisions on whether or not to terminate pregnancies. British Pregnancy Advisory Service, **The two-child limit on welfare supports**.

<sup>74</sup> HM Revenue and Customs and Department for Work and Pensions (2020), Statistics related to the policy to provide support for a maximum of two children, April 2020 (released 16 July 2020).

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With the growing threat of mass unemployment, benefit inadequacy itself is a driver of poverty and benefit caps and other restrictions are drivers of severe poverty and destitution. Specific recommendations on social security benefits are discussed in Sections 6-8. Here, we make a number of recommendations relating to pay and exclusionary work.

- 5.1 We propose that the Executive takes a lead on addressing low pay by declaring NI Government as a Real Living Wage and a ‘Living Hours’ employer, an agreed commitment of New Decade New Approach.<sup>75</sup> It should also support the development of Real Living Wage employer accreditation.**
- 5.2 NI Executive to support the removal of the lower wage floors for minimum wages that apply to 18-23-year olds and raise the levels for apprentices and under-18s.**
- 5.3 Government departments, through procurement, grant aid and sub-contracting conditions, should require Real Living Wage standards (£9.50 per hour UK and €12.30 Republic of Ireland). Incorporate RLW policy into the work of the Procurement Board.**
- 5.4 As part of procurement and contracting processes all public bodies should require relevant companies to present ‘pay ratio’ data (a requirement of the UK Companies Act). Pay ratio information on contracted companies to be made public and shared with the APC. Incorporate this ‘pay ratio’ policy into the work of the Procurement Board.**
- 5.5 Update the Human Rights in Public Procurement guidelines (2018) to include APS commitments on low pay and pay ratios.**
- 5.6 Promote research on, and the reporting of, income differentials across protected categories. Where data deficits exist (e.g. religion, gender, ethnicity, age), develop a strategy to remedy these.**
- 5.7 Ensure that annual reporting on the APS includes summaries of employer pay gap reporting on gender, and other available protected characteristics.**
- 5.8 Make regulations under the Employment Act (NI) 2016 to place a duty on employers to report on gender pay gaps (implementation of Section 19). Require relevant employers to publish information on the pay received by employees broken down by disability and ethnicity (as well as gender) (implementation of Section 19(6)(f)(i) and (ii)).<sup>76</sup>**

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<sup>75</sup> See <https://www.livingwage.org.uk/living-hours>

<sup>76</sup> See **Equality Commission for Northern Ireland** (2019) Submission to The Northern Ireland Affairs Committee and the Work and Pensions Committee Joint inquiry into welfare policy in Northern Ireland.

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- 5.9 The Northern Ireland Executive should recognise and promote the importance of collective bargaining and trade unions as a driver for better pay and terms and conditions, as well as higher productivity, and support legislation that bans employment based on no minimum or maximum hours, in which a ‘self-employed’ status is a requirement (‘zero-hours’ contracts) and which provides for ‘hours certainty’ in contracts of employment.<sup>77</sup>**
- 5.10 Headline poverty reporting should include estimates of median household work intensity and the proportion of working age households with low work intensity.**
- 5.11 As well as the Gini coefficient measure of income inequality, poverty reporting should include the share of income captured by the top ten per cent compared with the share of the bottom 40 per cent (the Palma ratio).**
- 5.12 There is no survey in NI that gathers information on wealth (unlike Britain and the Republic of Ireland).<sup>78</sup> This should be remedied.**

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<sup>77</sup> The Employment (Miscellaneous Provisions) Act 2018 in the Republic provides a model. New Decade New Approach includes agreement that ‘the Executive should move to ban zero hours contracts’.

<sup>78</sup> Data on wealth is captured by the Household Finance and Consumption Survey in the Republic of Ireland and by the Wealth and Assets Survey in Great Britain.

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## 6. Child poverty

Recent child poverty figures<sup>79</sup> highlight there are approximately 121,000 children (27% of all children) living in poverty. Child poverty is a multidimensional problem.<sup>80</sup> It stems not just from low income, but from exclusion and a denial of children's rights. The United Nations Committee on the Rights of the Child highlighted that an adequate standard of living is essential for a child's physical, mental, spiritual, moral, and social development.

Accordingly, the Northern Ireland Executive has a duty to:

- Adopt and adequately implement legislation aimed at achieving the target of ending child poverty; the proposed Anti Poverty Act includes child poverty related duties;
- Give priority to those children and their families most in need of support;
- When necessary, besides giving full support to parents or others responsible for the child, intensify its efforts to provide material assistance and support programmes for children, particularly with regard to nutrition, clothing and housing.

Much of the focus of our recommendations is aimed at increasing income in families with children. There is considerable evidence that income matters to child outcomes. Two major systematic reviews of literature<sup>81</sup> have examined the relationship between household financial resources and children's outcomes, focusing on OECD countries. They only included studies that used methods that allowed conclusions about causal relationships to be reached: these included randomised controlled experiments, quasi-experimental situations, and longitudinal studies tracking both financial resources and outcomes over time. A large majority of the studies reviewed found significant positive effects of income across the range of children's outcomes, including cognitive development and school achievement, social and behavioural development and children's health.

A series of recent studies identified positive income effects on birth weight in particular; evidence is more mixed for later child health outcomes including obesity and respiratory diseases. Two new studies, one in the US and one in Canada, found evidence that an increase in income

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<sup>79</sup> Department for Communities

<sup>80</sup> For more information about the multidimensional nature of child poverty please see European Anti-Poverty Network (EAPN) and Eurochild, **Towards Children's Well-being in Europe**: Explainer on child poverty in the EU, 2013.

<sup>81</sup> Cooper, K. and Stewart, K. (2013) Does Money Affect Children's Outcomes?: A Systematic Review, York, JRF.  
Cooper, K. and Stewart, K. (2017), Does Money Affect Children's Outcomes? An Update, CASE Paper 203, London School of Economics

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reduces food insecurity/insufficiency. Maternal depression, which impacts greatly on a child’s well-being and their development, improved with increased income. An innovative study found that allowing families to retain more of their child support payments, rather than deducting the payments from benefits, led to significant reductions in investigations for child maltreatment.<sup>82</sup> Cooper and Stewart point out: “This is a particularly important finding given the devastating negative consequences of maltreatment for children, and the robustness of the methodology (an RCT).”<sup>83</sup>

Infant mortality has started to rise again in the UK.<sup>84</sup> Analysis of this unprecedented trend has linked it to the rise in child poverty. Child poverty is, of course, largely coterminous with women’s poverty. Mothers living in poverty have reported consistently that they go without food on a regular basis to ensure their children do not go hungry.<sup>85</sup> The cost of the recommended healthy diet in pregnancy is prohibitive to anyone living on a low income, yet the only assistance available in pregnancy currently is the £3.10 a week Healthy Start Food Vouchers.<sup>86</sup>

As can be seen from the evidence cited above, increasing income to families with children has the potential to reduce a range of costs in other areas of society especially in relation to health and education. This is why the Child Payment is at the heart of our APS. It is also why we recommend applying the principle of non-retrogression to austerity-related social security reforms.

**6.1 Introduce a new non-taxable weekly Child Payment for all 0-4-year olds and for 5-15-year olds who are in receipt of free school meals. Using free school meals to ‘passport’ the Child Payment will encourage higher take-up of free school meals. Continue the Child Payment for all disabled children and young people until the age of 20. We propose that the Child Payment is between £12.50 and £15 per week, at a total annual cost of £122 to £146 million per year.<sup>87</sup>**

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<sup>82</sup> Cancian, M., Mi-Youn, Y., & Shook Slack, K. (2013). The Effect of Additional Child Support Income on the Risk of Child Maltreatment. *Social Service Review*, 87(3), 417-437.

<sup>83</sup> Cooper and Stewart (2017), p. 28

<sup>84</sup> Taylor-Robinson, D., Lai, E.T.C., Wickham, S. et al (2019), **Assessing the impact of rising child poverty on the unprecedented rise in infant mortality in England, 2000–2017: time trend analysis**, *BMJ Open* 2019;9:e02942

<sup>85</sup> Mallet, J. (1997), *The Hidden Troubles*, Derry, Child Poverty Action Group; Horgan, G. (2007) ‘They are not looking at the cost of living’: a study of income adequacy in Northern Ireland. *Benefits*, 15 (1), pp. 59-68

<sup>86</sup> <https://www.nidirect.gov.uk/articles/free-milk-fruit-vegetables-and-vitamins>

<sup>87</sup> Based on Child Benefit data for 2019. The annual cost of the Child Payment is between 0.54 and 0.64% of total public spending in NI for 2019/20.

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## 6.2 Apply the principle of non-retrogression<sup>88</sup> to austerity-related social security reforms:

- **Restore the value of Child Benefit to 2010 levels.**
- **Restore the value of child elements within Universal Credit.**
- **Remove the two-child limit.**
- **Remove the benefit cap, for new claimants as well as those receiving ‘legacy’ benefits.**
- **Restore the Sure Start Maternity Grant for all babies whose parents have a low income.**

## 6.3 Restore the Health in Pregnancy grant or develop a new mechanism to support a nutritious diet in pregnancy.

Increasing earned income and reducing family outgoings are vital to reducing child poverty in the longer term. Families at least risk of child poverty are those where there are two adults in full-time work or one adult in full-time and one in part-time work. For those at the bottom of the labour market, dependent on Universal Credit to top up low wages, the design of UC is a disincentive to a second earner taking up paid work. A work allowance is only available to the ‘main wage-earner’ and there is no work allowance for second earners, who are mainly women. How Universal Credit contributes to the cost of childcare is also a disincentive to paid work because providers have to be paid upfront and the cost reimbursed. Few families with young children would be able to pay over £600 in this manner but, for low paid families, this is a real barrier to employment.

Childcare is an essential part of any region’s economic infrastructure and needs to be treated as such by NI policy makers. Research from the Nevin Economic Research Institute (NERI) found that almost three out of four (72%) of workers with dependent children are in households where all adults are in paid work<sup>89</sup>. Such dual earner households have a low risk of being in poverty but rely on childcare.

The COVID-19 crisis has been shown to exacerbate the gendered patterns of childcare.<sup>90</sup> Women report that they are expected to assume full responsibility for childcare when working from home, while their partners are able to concentrate fully on paid work, whether or not their partners are also working from home. But the COVID-19 crisis also revealed the extent to which childcare is part of the infrastructure supporting employment, while its prohibitive cost

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<sup>88</sup> See **Northern Ireland Human Rights Commission (2019)** Submission to Joint Inquiry into Northern Ireland’s Social Security Policy

<sup>89</sup> Wilson, L. (2020), **Employment and access to childcare during the Covid-19 crisis**, Nevin Economic Research Institute.

<sup>90</sup> Close the Gap, (2020), **Disproportionate disruption**: The impact of Covid-19 on women’s labour market equality, Close the Gap Briefing No. 4, Edinburgh.

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is damaging to the economy in NI. Research from the Employers for Childcare Annual Northern Ireland Survey 2020 found that:

- 50% of families report spending more than 20% of their overall household income on childcare; this rises to 63% for lone parents.
- More than one in ten lone parent households reported spending more than 50% of their overall income on childcare.
- 41% of families resorted to means other than their income to pay for their childcare needs, including savings, an overdraft, loans and credit cards; this rises to 51% for lone parents.
- Nearly half of respondents have had to cut back or go without another expense to pay their childcare bill; this rises to 63% for lone parents.
- More than 50% think there is a lack of sufficient childcare in their area and out of those, 45% say there is a lack of holiday scheme provision.
- Almost 50% of parents experienced a change in their working hours; one in five mothers decreased their hours of work or left work altogether compared to 6% of fathers, 45% of mothers attributed this to the cost of childcare.

Childcare was hugely impacted by COVID-19 and the effect on parents in terms of their work demonstrated both its role in the economy and its gendered nature:

- 18% of parents had to use unpaid leave or annual leave to manage childcare, rising to 20% of mothers, and 31% of lone parents;
- 57% of parents had to balance working alongside childcare responsibilities, rising to 61% of mothers and 82% of lone parents;
- 2% had to leave work entirely, rising to 3% of mothers and 8% of lone parents.<sup>91</sup>

While childcare is an essential part of our economic infrastructure, its role in child development must also be acknowledged; any development delay can be quickly identified and early intervention facilitated. Good quality childcare has been shown to have long-standing benefits for children's language development and educational outcomes.<sup>92</sup> Sure Start has provided that early intervention for almost a generation living in the most disadvantaged parts of the region, but it never received the level of funding in NI that it did in Scotland, England or Wales. For example, at its height in 2009-10, funding for Sure Start programmes in England including capital

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<sup>91</sup> Employers for Childcare (20120), **Northern Ireland Childcare Survey 2020**.

<sup>92</sup> Finnegan, J. (2016), *Lighting Up Young Brains: How parents, carers and nurseries support children's brain development in the first five years*, London, Save the Children.

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costs amounted to £1.8 billion.<sup>93</sup> In 2019-20, the budget for Sure Start programmes in NI, for both voluntary organisations and H&SC Trusts, amounted to £25 million.<sup>94</sup> Evaluations of Sure Start have been very positive and have found that it significantly reduced hospitalisations among children by the time they finish primary school. Areas where Sure Start operates saw a significant fall in injuries at every age considered, with the probability of an injury-related hospitalisation falling by around 17% at the younger ages and by 30% at ages 10 and 11.<sup>95</sup> Sure Start has also been shown to promote and improve the development of children’s speech, language and communication skills to prepare them for the next stage of learning and development.<sup>96</sup>

The idea of a ‘free school day’ was first suggested by school children who were growing up in poverty and reported that they chose not to study particular subjects, like art or music, because they required a parental contribution; younger children said they worried a lot about where their mother would find the money for their school’s non-uniform day or school trip. At every age, they thought school should be free – with no danger of stigma, shame or self-exclusion because of inability to pay. A range of studies have found that children growing up in poverty have their education damaged by worry about their family’s financial situation and are keenly aware of their socio-economic position which is probably why some of them came up with the idea of the free school day.<sup>97</sup>

Increasing funding for the Extended Schools programme would greatly reduce family outgoings while helping to reduce educational disadvantage. Studies in Britain and the US have found that all students, but in particular at-risk ones, benefit academically from inclusion in out-of-school formal activities in a variety of ways. But studies also show that children from families in receipt of free school meals participate in fewer formal out-of-school activities for several reasons, mainly costs and access. This exclusion increases the disadvantage faced by children from poorer families in more formal learning environments like school.<sup>98</sup>

<sup>93</sup> Bate A. and Foster, D. (2017), Sure Start (England), House of Commons Briefing Paper Number 7257, Westminster.

<sup>94</sup> Health & Social Care Board 2019-20 Draft Budget

<sup>95</sup> Cattan, S., Conti, G. Farquharson, C. Ginja, R. (2019), The Health Effects of Sure Start, Institute for Fiscal Studies

<sup>96</sup> ETI (2019), Second Sure Start Evaluation Report, Bangor, Education and Training Inspectorate.

<sup>97</sup> Ridge, T. (2002), Childhood Poverty and Social Exclusion, Bristol: Policy Press.

Horgan, G. (2009), That child is smart because he’s rich’: The impact of poverty on young children’s experiences of school, *International Journal of Inclusive Education* 13(4): 359-376.

<sup>98</sup> Lauer, P.A., Akiba, M., Wilkerson, S.B., Apthorp, H.S., Snow, D. and Martin-Green, M. (2006) ‘Out-of-school time programs: a meta-analysis of effects for at-risk students’, *Review of Educational Research*, Vol. 76, pp. 275–313.

Wikeley, F., Bullock, K., Muschamp, Y. and Ridge, T. (2007) *Educational Relationships Outside School*. York: Joseph Rowntree Foundation.

#### 6.4 Reduce family outgoings by:

- **Removing barriers to educational experience by ensuring that participation in school is cost-free.**
- **Extending free school meals provision to include school holidays.**
- **Expanding the funding for the provision of breakfast and homework clubs.**
- **Expanding Sure Start provision in the 30% most deprived Super Output Areas in NI, with specific funding ringfenced for the inclusion of disabled children and their families.**
- **Introducing a Childcare Strategy which ensures childcare is affordable, accessible and high quality. The Childcare Strategy must cater for children of all ages and in all locations, be resourced to provide care for newly arrived families and those without recourse to public funds, as well as including special consideration for the additional costs to childcare providers of caring for children with disabilities.**

The gendered nature of Universal Credit has been well-documented, with some evidence of UC leading to a return of the ‘male breadwinner’ assumption and a diminution of financial independence for some women.<sup>99</sup>

While Universal Credit will help with up to 85% of childcare costs, it is paid in arrears. To get the payment claimants need to record childcare expenses in their online journal and provide proof of payment such as invoices and receipts from their childcare provider. The money is paid along with the rest of the claimant’s universal payment each month, so the childcare element is only paid in the month after the childcare expenses have been incurred. This is an impossible situation for most of those living on low incomes. They have a choice between going into significant debt to pay upfront for their formal childcare, or not taking up employment. This discriminates hugely against mothers in particular but could be easily remedied by childcare costs being paid directly to the provider.

Almost two out of three (62%) respondents to the 2020 Employers for Childcare Survey said that their children’s grandparents provide some or all of their childcare; 84% said this was to manage the cost of childcare. While the folly of relying on grandparents for childcare was exposed during the coronavirus pandemic, the situation is likely to continue until a proper, funded childcare

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<sup>99</sup> Bennett, F. (2012) ‘Universal Credit: overview and gender implications’, in Kilkey, et al, (eds.), *Social Policy Review 24: Analysis and Debate in Social Policy 2012*, Bristol: The Policy Press, pp. 15–34.  
Millar, J. and Bennett, F. (2017) “Universal Credit: Assumptions, Contradictions and Virtual Reality,” *Social Policy and Society*. Cambridge University Press, 16(2), pp. 169–182.  
Griffiths, R. (2017) “No Love on the Dole: The Influence of the UK Means-tested Welfare System on Partnering and Family Structure,” *Journal of Social Policy*. Cambridge University Press, 46(3), pp. 543–561.

strategy is introduced. Most of the grandparents providing childcare are women who may already have a poor history of National Insurance contributions. The Department for Communities should initiate an information campaign to ensure that mothers, grandmothers or anyone ‘looking after the home’ knows that National Insurance credits are available to anyone providing childcare for a family member. However, the credits are not automatically allocated, they must be applied for. Were there to be a full uptake of them, it would go some way to reducing the risk of poverty for female pensioners.

- 6.5 Ensure that, by default, Universal Credit payments are paid to the lead carer of children in ‘two-parent’ households.**
- 6.6 Ensure that Universal Credit pays childcare costs direct to the provider, so families do not have to pay upfront.**
- 6.7 For the purposes of Universal Credit, Maternity Allowance should be treated as unearned income and not deducted pound for pound.**
- 6.8 Initiate an information campaign to ensure that those who are not in paid employment because they are “looking after the home” know about National Insurance credits.**

The 1995 Children (NI) Order promised to be transformatory for disabled children. Sections 17 and 18 of the Order mandated a ‘General duty of authority to provide personal social services for children in need, their families and others’ and all children who are disabled were defined as children ‘in need’. However, in practice, this duty has not been fulfilled and the overwhelming majority of disabled children do not receive any services from H&SC Trusts.

Research has estimated that families with a disabled child have additional costs of over £500 a month; for almost a quarter (24%) of families with disabled children, extra costs amount to over £1,000 a month.<sup>100</sup> Electricity and fuel costs are a large part of those regular expenses. Disabled people with limited mobility often have to use more heating to stay warm, whilst others need to use extra electricity to charge assistive technology items.<sup>101</sup>

Co-operation in the planning, commissioning and delivery of services and actions to combat child poverty will be essential to delivering on the targets set out within the APS. The Children’s Services Co-operation Act (NI) 2015 (CSCA)<sup>102</sup> already places a duty on all key agencies

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<sup>100</sup> Scope (2019) Disability Price Tag, London, SCOPE.

<sup>101</sup> Wealthy, B. (2018), Out in the Cold: London.

<sup>102</sup> [https://www.legislation.gov.uk/nia/2015/10/pdfs/nia\\_20150010\\_en.pdf](https://www.legislation.gov.uk/nia/2015/10/pdfs/nia_20150010_en.pdf)

to cooperate under the eight outcomes contained within the Children's Strategy. A cross-departmental and cross-agency approach will be needed which can be achieved by specifically including the APS policies in Section 2 of the CSCA.

- 6.9 Consider measures such as a winter fuel allowance for families with disabled children, prioritising those who have no access to disability-related benefits; review the core eligibility criteria for the Warm Home Discount to ensure support is targeted at disabled people who face extra energy costs more effectively,**
- 6.10 Ensure that both the letter and spirit of Sections 17 and 18 of the Children (NI) Order 1995 are implemented; i.e. that there is a duty to provide services for all children 'in need' and that all disabled children should be considered 'in need'.**
- 6.11 Amend the Children's Services Co-operation Act (NI) 2015 to include co-operation between relevant agencies on policies to combat child poverty contained within the APS.**
- 6.12 Develop a targeted set of interventions to recognise and support children in poverty with specific additional vulnerabilities arising from, for example, the social exclusion of Travellers, rural isolation, children with caring responsibilities, bullying, violence within the home, sexual exploitation and hate crime.**

## 7. Working age poverty

With the economic shocks of the pandemic and Britain's exit from the EU, increasing numbers of low-income households are reliant on Universal Credit or Jobseeker's Allowance. Working age poverty is likely to become more unemployment-related than work-related in the medium term.

While some of the 'welfare reform' benefit cuts implemented in NI from 2016 have been offset by the 'mitigations package', renewed in 2020, claimants have not been shielded from the more damaging changes described in Section 5.<sup>103</sup> Below we list a number of priority measures, some of which are related to the pandemic which has heightened awareness of the systemic failings of Universal Credit. The emergency increase in Universal Credit amounts to an admission that benefit levels are inadequate.

- 7.1 Considering the surge in COVID-19 and Brexit-related unemployment, review the extent to which social security decision making processes and sanctions policy contribute to the stresses and precariousness of poverty for claimants; ensure due process and a risk assessment for claimants facing long delays or financial sanctions.**
- 7.2 Apply the principle of non-retrogression to:**
  - **the pandemic-related £20 increase in Universal Credit and Working Tax Credit beyond March 2021, and**
  - **restore the value of Carer's Allowance to 2010 values.**
- 7.3 Legislate to abolish the Social Sector Size Criteria (the 'Bedroom Tax' – currently off-set by the mitigations package) as a matter of urgency.**
- 7.4 The mitigations package should be maintained until it is superseded by UK policy changes.**
- 7.5 End the five-week wait for payment of Universal Credit and in the meantime convert all Advance Payments to grants instead of loans.**
- 7.6 Raise the Work Allowance within Universal Credit to Living Wage levels and reduce the taper rate.**

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<sup>103</sup> See paragraphs 39-46 of Work and Pensions and Northern Ireland Affairs Committees (2019) Welfare policy in Northern Ireland, First Joint Report of the Work and Pensions and the Northern Ireland Affairs Committees, HC 2100.

- 7.7 New claimants to Universal Credit should be entitled to Severe Disability Premium (SDP) on the same terms as those who were awarded eligibility in the legacy benefit system to account for the extra cost of disability. All claimants, including those who are subject to the SDP gateway should have their disability payments ringfenced so as they are not subject to decrease.**
- 7.8 As recommended by the Equality Commission for Northern Ireland, make Universal Credit eligibility conditions more flexible for lone parents, given the lack of affordable childcare.**
- 7.9 The budget for Discretionary Support should be increased, the eligibility criteria should be relaxed, including the removal of the income ceiling, and payments should be made as grants instead of loans.**
- 7.10 Reduce the number of Personal Independence Payment (PIP) decisions that lead to appeals being necessary and, as a matter of urgency, progress the backlog of appeals that have arisen due to tribunals not sitting throughout COVID-19 emergency periods.**
- 7.11 Do not extend private companies' contracts for PIP assessments when they end in 2021. Rather, follow Scotland's lead and have person-centred assessments carried out by public servants, based on the values of dignity, fairness, respect, and the social model of disability.**
- 7.12 A supplementary payment should be made available to mitigate the loss of disability premiums for children transferring from Disability Living Allowance to Personal Independence Payment.**
- 7.13 End the practice of benefit deductions to pay for 'overpayments' arising from Departmental error. The Department's website should remove references to 'fraud and error' and separate its consideration of the two.**

## 8. Pensioner poverty

The solution to poverty amongst older people lies principally in improved pension provision and reducing costs to households. While the basic state pension has been protected from the worst of benefit changes and freezes over the past decade, the rising retirement age has penalised some pensioners. But the main source of poor pension rights lies in adverse labour market experience during working age. The full new state pension (£175.20) is 30% higher than the basic state pension (£134.25), but many arrive at retirement age with incomplete national insurance records so qualify for a lesser amount. The so-called ‘underpensioned’ are more likely to be (in order of the worst off) disabled people, single women, divorced women and carers.<sup>104</sup>

One indicator of inadequate pension provision is the number of people eligible for a top-up of their pension through Pension Credit. In 2017/18, 103,000 pensioners were eligible for a top-up in NI. But 31,000 of these did not apply for Pension Credit, amounting to £62 million in unclaimed benefit per year.<sup>105</sup> This compares to the 27,000 pensioners estimated to be living below the income poverty line (after housing costs) that year.<sup>106</sup> Improved take-up of Pension Credit would therefore reduce pensioner poverty considerably.

Pensioner poverty is also measured using a deprivation index of 15 items and activities that older people may lack. For example 1 in 5 pensioners are unable to go out socially once a month and almost a half do not take a holiday away from home once a year. Overall, 1 in 17 pensioners is materially deprived according to the index. This rises to 1 in 10 of pensioners living alone, and 1 in 5 of those renting from the Housing Executive or a Housing Association. Those in receipt of Housing Benefit or Pension Credit are three times as likely to be materially deprived as all pensioners.

The recommendations below focus on the right to Pension Credit.

- 8.1 Design a new campaign for the take-up of Pension Credit involving advice services, sector stakeholders and political representatives, prioritising those areas where take-up rates are well below the average take-up level, and pensioner couples.**
- 8.2 Produce estimates of the impact of the new State Pension on pensioner poverty levels over the next ten years.**

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<sup>104</sup> Wilkinson, L. and Jethwa, C. (2020) The Underpensioned Index, Pensions Policy Institute.

<sup>105</sup> Department for Communities (2020) Pension Credit: Estimates of Benefit Take-Up, October.

<sup>106</sup> The poverty gap for pensioners (after housing costs) cannot be reliably estimated due to low sample size.

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- 8.3 Identify the characteristics of those pensioners who miss out on the full new State Pension and who are likely to remain in poverty.**
- 8.4 Design new take-up campaigns to increase take up of housing benefit and disability benefits.**
- 8.5 Promote greater awareness of rights to national insurance credits.**

## 9. Cross-cutting policies

### Housing

The de-regulation of banking and building societies in the 1980s, coupled with the selling of public sector housing to sitting tenants, had a dramatic effect on housing provision. The long decline of the private rented sector from the 1920s onwards was suddenly reversed: in NI it expanded from 26,000 tenancies in 1987 to 81,000 within twenty years.<sup>107</sup> By 2015/16, 1 in 5 households were renting privately.

Owner-occupation also grew and for two main reasons: from public sector tenants taking up the ‘right-to-buy’ and from the liberalisation of mortgage finance. By the early 2000s, 7 in every 10 NI households were homeowners. Four out of 10 owned with a mortgage. This expansion was put into reverse by the global financial crisis triggered by unsustainable housing debt in the United States in 2007/8.<sup>108</sup> By 2015/16 mortgage holders had fallen from 40% to 30%.<sup>109</sup>

The private rented sector continued to expand, not least because of the introduction of ‘buy-to-let’ mortgages in 1996. These were attractive to small and large investors because of tax subsidies on interest payments and maintenance costs, subsidies which became less generous from 2015. In contrast, social housing provided by the NI Housing Executive declined dramatically. In 1981, 2 in every 5 households rented from the Housing Executive but in the space of 30 years this fell to a little over 1 in 10. Social housing (including housing associations) now provides for 14% of households compared to 10% in the Republic, 17% in England, 19% in Wales and 22% in Scotland.<sup>110</sup>

One of the consequences of the shift in tenures is that more low-income families with children are now living in the private rented sector with higher rents and poorer conditions than if they were accommodated in the public sector.<sup>111</sup> These households are particularly vulnerable to the gap between housing benefit and local housing allowances which has grown since the cuts to housing benefit introduced in 2011.<sup>112</sup> NI now spends four times as much on subsidising rents

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<sup>107</sup> See McNulty, U. and Gray, P. (2009) Private Rented Sector in Northern Ireland: Introduction and Background to Research Series. Report One. Belfast: Northern Ireland Housing Executive.

<sup>108</sup> Across the UK there are 1.9 million buy-to-let mortgages, totalling £251 billion. Annual loan levels rose to £40.5 billion in 2018, approaching the level in 2007 of £45.7bn.

<sup>109</sup> Mac Flynn, P. and Wilson, L. (2018) Housing Provision in Northern Ireland and its Implications for Living Standards and Poverty, Nevin Economic Research Institute.

<sup>110</sup> Ibid. p. 13-14.

<sup>111</sup> Ibid. p. 35.

<sup>112</sup> McAuley, M. (2019) Falling Behind: Exploring the gap between Local Housing Allowance and the availability of affordable private rented accommodation in Northern Ireland. HousingRights.org.uk ; and McAuley, M. (2020) The ‘Perfect Storm’: The impact of COVID-19 on private renters in Northern Ireland, Housing Rights.

as it does on investing in new build and refurbishment.<sup>113</sup> More than half the public expenditure that enables people to pay rents goes to private landlords with no obvious medium or long-term public benefit. Yet the challenges presented by homes that are expensive to heat, and the climate emergency generally, require huge levels of investment in the housing stock. Residential properties are responsible for 14% of NI's greenhouse gas emissions.<sup>114</sup>

Our housing recommendations are as follows:

- 9.1 Reduce the contribution which housing, and energy costs make to the number of households in poverty by long-term investment in social housing.**
- 9.2 Prevent further decline in Northern Ireland Housing Executive (NIHE) stock by abolishing the right to buy.<sup>115</sup>**
- 9.3 Ensure culturally appropriate affordable housing solutions for extended kinship communities and others including Travellers; Roma; age-appropriate independent living for young people; those identifying as LGBT+; care leavers; elderly and disabled people.**
- 9.4 Ensure that Local Housing Allowance rates do not fall below the 30th percentile of market rents and increase this in stages to its original 50th percentile value.**
- 9.5 Ensure that social housing tenants on social security benefits are not further impoverished by differentials in rent for NIHE properties and those of Housing Associations which are elevated by service charges.**
- 9.6 Extend and strengthen the regulations covering Houses in Multiple Occupation across the private rented sector, with the objective of developing uniform standards across the rented sector.**
- 9.7 Use rent regulation as a lever to bring substandard private rented sector properties up to standard.**
- 9.8 Carry out a radical overhaul of building standards with a view to setting the high energy efficient standards necessary to meet the climate emergency.**

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<sup>113</sup> Data from Chartered Institute of Housing, **UK HOUSING REVIEW 2020**.

<sup>114</sup> Northern Ireland greenhouse gas inventory 1990-2018, statistical bulletin - data and charts. Department of Agriculture, Environment and Rural Affairs.

<sup>115</sup> Scotland did this in 2014 with effect from 2016.

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## 9.9 Introduce compulsory environmental health approval before new lettings are put on the market.

### Employment Inclusion

In past periods of high unemployment and long-term unemployment, policy discussion centred mainly on labour market exclusion arising from discrimination against individuals and associated processes of intimidation and fear. Of the categories covered in Section 75 of the 1998 Northern Ireland Act, the issues of religion/community background and gender have been in the foreground, while disability, sexual orientation and ‘racial group’ have been in the shade.<sup>116</sup> The Section 75 duty to promote equality of opportunity and good relations, as well as the body of anti-discrimination law, provide the framework for employment inclusion but they do not guarantee ‘equal opportunity’ as an outcome. There are significant concerns with non-compliance and the failure to adopt strategic approaches to inequalities at the start of policy formation.<sup>117</sup>

When it comes to policy decisions involving major resources – investments in housing, schools, hospitals, government offices, physical infrastructure and businesses – these present major opportunities for addressing area-based inequalities and reversing the Belfast-centric nature of economic development. Investment decisions of this kind have lasting effects: the decision in the 1960s to develop the New University of Ulster at Coleraine was not only of totemic significance to the civil rights movement but over half a century later, Derry’s Magee campus remains underdeveloped.

The major bodies that could reverse unequal development do not appear to see this as a significant priority. InvestNI prioritises ‘wealth creation’ over jobs and appears to have moved further away from a concern with creating jobs in the more economically depressed West of NI. The Audit Office found that investments in ‘disadvantaged areas’ were not assessed for their impact on the actual employment of people living in those areas.<sup>118</sup> The Strategic Investment Board introduced ‘social clauses’ into contracts for major public works but it appears that no evaluation of the effectiveness of this policy has been carried out.<sup>119</sup>

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<sup>116</sup> The way these categories interact in the real world – ‘intersectionality’ – is important and not always possible to analyse due to the limitations of data collection or of access. The study carried out for the NI Human Rights Commission on the impact of tax and benefit changes was unable to include ‘religion’. See Reed, H. and Portes, J. (2019: 34) Cumulative impact assessment of tax and social security reforms in Northern Ireland. Belfast: NIHRC.

<sup>117</sup> McVeigh, R. (2019). **Sectarianism: the key facts**. Belfast: Equality Coalition.

<sup>118</sup> The Business Strategy 2017-2021 makes no reference to economic or social inequalities within NI (or to climate change). The NI Audit Office examined the performance of InvestNI with respect to East/West job creation during the 2000s and found that ‘Invest NI made progress in promoting economic development in disadvantaged areas in the first two Corporate Plan periods, but its current target is less challenging’. NI Audit Office (2012: 41) Invest NI: a performance review.

<sup>119</sup> Building a better future: Investment Strategy for Northern Ireland, 2011-2021, page 7. £10.6 billion was invested in public infrastructure in the eight years to March 2019.

Employment among disabled people is very low in Northern Ireland, with only 35% of working-age disabled people in paid employment, compared to 42% in Scotland, 47% in Wales and 50% in England.<sup>120</sup> Most disabled people are either working or want to work.<sup>121</sup> Participants in a qualitative study for the Equality and Human Rights Commission stressed the value of work to them and ‘unanimously stated a desire to be in work’, pointing to the importance of work for their quality of life as being about more than financial reward. Being out of work had caused further ill-health for many: some had left work because accommodations could not be made when they acquired a physical impairment but being out of work had then led them to develop mental health conditions such as depression and anxiety.<sup>122</sup>

There is a common perception among employers that employing disabled people involves greater ‘cost’, or is somehow more problematic than employing non-disabled people. But many employers say they do not have or find it hard to obtain reliable information on costs and risks of employing disabled people.<sup>123</sup> Reed in Partnership carried out a survey of employers’ views of disability employment across the UK, finding that lack of knowledge about disability was one of the top four challenges that businesses face when considering employing disabled people.<sup>124</sup> Employers fears of the costs of employing disabled people have consistently been shown to be the largest barrier to employment inclusion.<sup>125</sup>

This lack of knowledge can greatly impact the disabled person’s life because to be able to manage disabilities and chronic conditions successfully, all the parties must possess sufficient knowledge of the impairment,<sup>126</sup> how it affects one’s work life and the appropriate reasonable adjustment that can mediate these impacts. This is because the provision or non-provision of reasonable adjustments can mean the difference between employment, dismissal or resignation.<sup>127</sup> Employers’ lack of knowledge and understanding of disability discrimination law, and of government help available to contribute to the costs of reasonable adjustments, means that discrimination against disabled people in employment remains widespread.<sup>128</sup>

<sup>120</sup> Joseph Rowntree Foundation (2018), Poverty In Northern Ireland.

<sup>121</sup> Aldridge, H., Kenway, P., MacInnes, T., and Parekh, A. (2012) v York: Joseph Rowntree Foundation.

<sup>122</sup> Adams, L. and Oldfield, K. (2012). Opening up work: The views of disabled people and people with long-term health conditions: Research Report 77. London: Equality and Human Rights Commission.

<sup>123</sup> Davidson, J. (2011) A qualitative study exploring employers’ recruitment behaviour and decisions: small and medium enterprises, London: DWP Research Report No 754;

<sup>124</sup> Reed in Partnership (2016) **Disability and Employment**. London: Disability Rights UK.

<sup>125</sup> Bezyak, J.L., Umucu, E., Wu, J., Lee, B., Chen, X., Iwanaga, K., Tansey, T. & Chan, F. (2018), Strategies for recruiting, engaging and retaining members in a community of practice for disability Employment: a qualitative content analysis. *Journal of rehabilitation*, vol. 84, no. 2, pp. 40-47; Kuznetsova, Y. and Bento, J. (2018) Workplace adaptations promoting the inclusion of persons with disabilities in mainstream employment: A case-study on employers’ responses in Norway. *Social Inclusion*, 6(2), p.34;

<sup>126</sup> Mullin, R., Chaudhuri, K., Andrews, T., Martin, A., Gay, S. and White, C. (2017) A study investigating the experience of working for people with Parkinson’s and the factors that influence workplace success. *Disability and Rehabilitation*, 40(17), pp.2032-2039.

<sup>127</sup> Harwood, R. (2014) ‘The dying of the light’: the impact of the spending cuts, and cuts to employment law protections, on disability adjustments in British local authorities. *Disability & Society*, 29(10), pp.1511-1523.

<sup>128</sup> Henry, A., Petkauskos, K., Stanislawzyk, J., & Vogt, J. (2014) Employer-recommended strategies to increase opportunities for people

Unfortunately, cuts to the legal aid system mean that most disabled people who are discriminated against and/or face bullying and harassment at work due to their disability, unless they are in a trade union, are unable to vindicate their rights before the courts.<sup>129</sup>

While employers generally may need to be reminded of their statutory duties under the Disability Discrimination Act, one would expect the civil service to be aware of the law. Yet the representation of disabled people in the Northern Ireland Civil Service (NICS) is half that of representation within the British civil service or that of the US. Ten percent of both the British and US civil servants have a disability, compared to just 5.5% in the NICS.<sup>130</sup>

**9.10 It is recommended that DfC starts an information campaign aimed at employers to change attitudes towards disabled people as workers, to inform them of the low cost of most reasonable adjustments that allow disabled workers to be as productive as their non-disabled colleagues and to ensure they understand their duties under the Disability Discrimination Act.**

**9.11 As a first step to bringing more disabled people into employment, the NI Civil Service and public bodies generally should bring their numbers of disabled employees into line with the proportions of disabled workers in the civil and public service in GB.**

**9.12 Require more proactive recruitment of disabled employees by companies seeking to be 'Disability Confident' employers.**

NI has the second highest level of young people who are not in education, training or employment in the UK. At the start of 2020, over 21,000 young people were in this situation and that number is expected to rise considerably due to the impact of the coronavirus pandemic. While over half of these young people can be helped into education, training or employment relatively easily, all research shows that some two-fifths face multiple barriers. These barriers include educational disadvantage, disability or mental ill-health, difficult personal circumstances and structural factors, including poverty, becoming a young mother, being in care and being a young carer.<sup>131</sup> Youth Action NI and other organisations that work with young people emphasise that training and well-tailored youth sector provision can achieve very positive outcomes.

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with disabilities. *Journal of Vocational Rehabilitation*, 41, 237–248. doi:10.3233/JVR-140716

<sup>129</sup> Ibid and Ryan, F. (2019), *Crippled: Austerity and the Demonization of disabled people*, London, Verso. Darcy, S., Taylor, T. and Green, J. (2016) 'But I can do the job': examining disability employment practice through human rights complaint cases. *Disability & Society*, 31(9), pp.1242–1274; Schwartz, M. and Elder, B. (2018) Deaf access to justice in Northern Ireland: rethinking 'reasonable adjustment' in the Disability Discrimination Act. *Disability & Society*, 33(7), pp.1003–1024.

<sup>130</sup> Olsen, J. (2018), Employment in Northern Ireland's Civil Service: Social Barriers and Hyperbole Mean Disabled Need Not Apply, *International Journal of Disability Management*, Volume 13, e2, pp. 1–14.

<sup>131</sup> Spielhofer, T. Benton, T. Evans, K. Featherstone, G. Golden, S. Nelson, J. and Smith, P. (2009), *Increasing Participation: Understanding Young People Who Do Not Participate in Education or Training at 16 and 17*, DCSF Research Report 072, London, NFER.

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However, the more broad-stroke general ‘Youth Training Programmes’ of the past had little success and need to be avoided.<sup>132</sup>

Training and education are important for young people who are not in education, training or employment, but experience of working is vital also.<sup>133</sup> Targeted employment schemes aimed at these young people can be beneficial, especially in areas where there is a poor labour market, such as the parts of NI where there are as few as one job for every two people of working age.

Despite the cost of Steps to Success<sup>134</sup> being estimated by Department for Communities as approximately £50m,<sup>135</sup> the figures suggest that the programme made little difference to the employment prospects of those mandated to participate on the scheme. Between October 2014 and June 2019, just 29% (16,845) of participants moved into employment. This figure increased from 29% in the first quarter (Oct-Dec 2014) of the programme to 39% in Jan-Mar 2016 but had fallen to 21% in Apr-Jun 2019. However, over the five year period, only two-thirds of those who moved into employment had sustained it after six months and only half were still in employment after twelve months, i.e. under 15% of all participants moved into sustained employment.

Evaluations of a range of initiatives aimed at helping disabled people into employment across the UK over the last two decades all conclude that reintegrating claimants furthest from the labour market (those with more complex needs) requires longer-term and personal engagement with individuals.<sup>136</sup> For example, Condition Management Programmes (CMP) work with people who have long-term limiting conditions to develop a better understanding of their health condition and to explore strategies for dealing with it. CMP partnerships, especially those with NHS partners, were seen to work well by most participants.<sup>137</sup> Health professionals were also able to ‘protect’ participants from some of the most punitive conditionality.

Work-focused targets, particularly those related to payments, have been shown to lead to ‘cream-skimming’ of those claimants closest to the labour market and to ‘parking’ those with the

<sup>132</sup> YouthAction NI (2010) Oral and Written Evidence to the DEL **Committee Inquiry into Young People Not in Education, Employment or Training**.

<sup>133</sup> Furlong, A. et al (2017), *Young People in the Labour Market: Past, Present, Future*, London, Routledge

<sup>134</sup> Steps 2 Success (S2S) is the Department for Communities’ (DFC) main return to work programme and was introduced on 20th October 2014. Participation in Steps 2 Success is mandatory for all Jobseeker’s Allowance (JSA) claimants and Universal Credit (UC) claimants aged between 18 and 24 who have been claiming JSA/UC for 9 months, as well as for those aged 25 and over who have been claiming JSA/UC for 12 months or more. Employment and Support Allowance (ESA) claimants in the Work Related Activity Group (WRAG) and their equivalent under Universal Credit are also mandated onto Steps 2 Success. Failure to comply with requirements set by S2S providers can result in a sanction being imposed. Three private companies, Ingeus UK, People Plus NI and Reed in Partnership were awarded contracts by the Department for Communities to deliver the S2S contract until 2020.

<sup>135</sup> Answer to AQW 5978/16-21.

<sup>136</sup> Clayton, S., Bamba, C., Gosling, R., Povalls, S., Misso, K., and Whitehead, M. (2011) ‘Assembling the evidence jigsaw: insights from a systematic review of UK studies of individual focused return to work initiatives for disabled and long-term ill people’, *BMC Public Health*, pp. 11-170.

<sup>137</sup> Kellett, S., Bickerstaffe, D., Purdie, F., Dyke, A., Filer, S., Lomax, V. and Tomlinson, H. (2011) ‘The clinical and occupational effectiveness of condition management for Incapacity Benefit recipients’, *British Journal of Clinical Psychology*, 50 (2), pp.164–177.

greatest support needs.<sup>138</sup> As a result, those ill and disabled people who need the highest levels of support are unlikely to be helped by such schemes.<sup>139</sup>

By contrast, there is an increasing body of evidence to support a ‘place, support and train’ approach. Here, the job comes first and then the person is trained in the job, with support in training and in sustaining the job. This contrasts with ‘train, place and (perhaps) support’ approaches, which are not focussed on particular jobs; instead, the person is ‘trained’ for an abstract job.<sup>140</sup> This is a form of Supported Employment and is defined as ‘paid work that takes place in normal work settings with provision for ongoing support services’.<sup>141</sup> This model was first developed in the United States as the Individual Placement and Support (IPS) approach, specifically for people with mental health conditions, and has since been trialled in a number of other settings, including the UK.

Over 23 randomised control trials have steadily demonstrated effectiveness of the IPS-supported employment approach across many populations, in different countries, and under diverse economic conditions. Across many studies, the percentage of individual placement and support clients obtaining competitive employment during follow-up periods ranging from six months to five years is about 60 percent,<sup>142</sup> a stark contrast to other variants of assisting people into employment.

These ‘place, train support’ schemes, together with targeted ‘Smart ACE’ programmes, are especially needed in NI as a region emerging from conflict. NI also has a low rate of job density at 0.76 compared to a UK average of 0.86.<sup>143</sup> This means that there are just 76 jobs available in the region for every 100 people of working age. Some parts of the region outside the Greater Belfast area have an even lower job density with Derry City and Strabane District Council having only two jobs for every three people of working age and Limavady just one job for every two people of working age.<sup>144</sup>

Further, in the disadvantaged areas where the conflict was at its highest, those who are now aged over 50 will have grown up at the height of the conflict, have few educational qualifications and are more at risk of severe post traumatic stress disorder (PTSD) than those living in areas less impacted by conflict. This combination of disadvantage means this group is highly unlikely to

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<sup>138</sup> Clayton et al (2011), op cit.

<sup>139</sup> DWP (2013), **What works for whom in helping disabled people into work?**

<sup>140</sup> McInnes et al (2014), *Disability, Long Term Conditions and Poverty*, London, New Policy Institute.

<sup>141</sup> Crowther, R., Marshall, M., Bond, G., and Huxley, P. (2001) ‘Vocational rehabilitation for people with severe mental illness’, *Cochrane Database of Systematic Reviews*, 2.

<sup>142</sup> Drake et al (2016), *Individual Placement And Support Services Boost Employment For People With Serious Mental Illnesses, But Funding Is Lacking*, *Health Affairs*, Vol. 35. No 6.

<sup>143</sup> Office of National Statistics (2020), **Labour Market Profile – Northern Ireland**.

<sup>144</sup> Department for Employment and Learning (2014), *Labour Market Bulletin*.

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be able to gain employment in a tight labour market. Yet they are subject to the same levels of welfare conditionality as people living in areas that have a surplus of jobs. There is considerable evidence that PTSD exacerbates other mental health conditions and is itself worse among those living in poverty.<sup>145</sup> There is also a growing body of work indicating that welfare conditionality has had a detrimental impact on mental health conditions, reducing rather than increasing the likelihood of claimants achieving paid employment.<sup>146</sup> These people are victims of the conflict; providing ACE-type employment schemes could restore their dignity, improve their mental health and reduce levels of economic inactivity.

**9.13 Through targeted training and employment schemes, reduce the numbers of young people excluded from education, training, and employment. Similarly, address the current and anticipated surge in unemployment through targeted training and employment schemes.**

**9.14 Public and arms-length bodies should exercise their ‘socio-economic duty’ by adopting policies to reduce geographical inequalities in the distribution of employment and unemployment. Specifically:**

- **Require the Strategic Investment Board and InvestNI to have plans and targets for addressing geographical inequalities in employment and unemployment.**
- **Use the funding for the failed Steps to Success programmes to initiate the ‘Smart ACE’ programme suggested by the Strategic Insight Lab to provide employment to under-30 and over-50 year olds in areas of low job density and areas that were most impacted by the conflict.**
- **Expand ‘place, train and support’ programmes to allow disabled people access to sustainable employment.**

**9.15 Consider further regulation of recruitment and employment agencies with wider powers for the Employment Agency Inspectorate (EAI) in relation to its remit and powers of investigation, and enforcement of compliance to eradicate economic exploitation of agency workers.**

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<sup>145</sup> Ferry et al (2017), Exposure to Trauma and Mental Health Service Engagement among Adults who were Children of the Northern Ireland Trouble of 1968 to 1998, *Journal of Traumatic Stress*, 30, 6, pp. 593-601.

<sup>146</sup> Wright, S. and Patrick, R. (2019) ‘Welfare conditionality in lived experience: aggregating qualitative longitudinal research’. *Social Policy and Society*, 18(4), pp. 597-613. doi:10.1017/S1474746419000204  
Dwyer, P. (2018b). Final findings: **Overview research briefing for the welfare conditionality**: Sanctions, Support and Behaviour Change project.

## Access to services

It is ironic that Universal Credit is ‘digital by default’ yet caters for some of those most ‘digital excluded’. Low-income households, disabled and older people are more likely to lack access to digital services than the population as a whole.<sup>147</sup> Geography also plays a part in that rural areas are less well-served by fast and reliable internet connections. Exclusion may result from the lack of services and equipment, and also from lack of the five basic skills needed to use computer-based services effectively, issues of provision and training.<sup>148</sup>

Patterns of internet provision and usage vary widely across the UK and the island of Ireland. NI has twice the rate of internet non-users (14.2%) as London (7.0%). Across NI, 94% of households in the least deprived areas have home broadband access compared to 78% in the most deprived areas. Only 76% of households have broadband access in the Fermanagh & Omagh council area, compared to 91% in Lisburn & Castlereagh and Antrim & Newtownabbey.<sup>149</sup> Ofcom estimates that 1 in 5 of rural homes and businesses lack ‘decent broadband from a fixed line’.<sup>150</sup> While 91% of households have an internet connection in the Republic of Ireland (in 2019), only 71% of households in the Border region had a fixed broadband connection compared to 92% in Dublin.<sup>151</sup>

With or without internet skills and access, local accessible advice services provide vital supports for navigating public and private services, especially those that low-income households rely most heavily on. For example personal debt is a significant issue. Across NI, 1 in 6 adults were ‘over-indebted’ in 2018 according to the Money Advice Service. The rates were highest in Derry and Strabane Council area (17.9% ) and Mid Ulster (17.6% ) which, together with Belfast, account for more than a third (36%) of over-indebted adults in NI. Some of the personal debt problem is invisible as it arises from illegal lending.<sup>152</sup>

Employment agencies are an increasing feature of ‘flexible’ and precarious labour markets. The Deregulation and Contracting Out Act 1994 abolished the system of employment and recruitment agency licensing, so that agencies operate freely, unless inspectors find violations sufficiently serious to close them down. Only those agencies providing nurses, domiciliary care and seasonal workers in agri-food and other short-period work are currently regulated and licensed to operate. All others work on the basis of ‘proceed until apprehended’.

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<sup>147</sup> Office of National Statistics (2019) Exploring the UK’s digital divide.

<sup>148</sup> These are: managing information (e.g. search engines), communicating (e.g. email), transacting (e.g. buying), problem solving and creating. **Office of National Statistics** (2019) Exploring the UK’s digital divide.

<sup>149</sup> **Continuous Household Survey** (Data for 2019/20).

<sup>150</sup> Ofcom (2020) Connected Nations, UK Report, December. [https://www.ofcom.org.uk/\\_\\_data/assets/pdf\\_file/0024/209373/connected-nations-2020.pdf](https://www.ofcom.org.uk/__data/assets/pdf_file/0024/209373/connected-nations-2020.pdf)

<sup>151</sup> Information and Communications Technology (ICT) **Household Survey 2019**.

<sup>152</sup> See Livingstone, P. (2019) Christians Against Poverty research into illegal lending in Northern Ireland.

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Regulation and licensing carry no threat to reputable and ethical agencies meeting the standards but eliminate those with scant regard for standards at the outset. Guidance and general rules are only enforceable after long processes following individual worker complaints. The 2011 legislation<sup>153</sup> went some way to restore protection to agency (temporary) workers but the legislation does not prohibit the employment business from requiring any/all of those contracted to reside in property owned/rented by the business while undertaking the assigned work; utilise transport provided by the employment business, costs of which are deducted from the wages of the worker, or otherwise have their living conditions controlled by the employing business. Access to the resolution of these issues is complex for those most affected: migrant workers, young workers, and women workers, who predominate in agency work.<sup>154</sup>

Access to education, training, and job opportunities will often depend on good public transport. The following recommendations are made to improve access to services:

- 9.16 Improve awareness and training of a wide range of frontline professional and administrative staff regarding their understanding of the circumstances of those experiencing poverty. Responsibility for positive and non-stigmatising attitudes to those in poverty goes beyond service providers and includes those in leadership positions and who have influence in mass media.**
- 9.17 Develop a regional literacy and numeracy strategy including English as an essential skill for those for whom it is not the ‘mother tongue’.**
- 9.18 Provide free access to broadband for low-income families.**
- 9.19 Develop a policy for addressing the digital exclusion of disabled people, older people and rural communities, in relation to online access to public services.**
- 9.20 Plan to expand support for advice services in line with anti-poverty policies and targets, and the diminished claimant rights associated with online applications and payments.**
- 9.21 Increase the Fees grant for part-time students with caring responsibilities who need to remain on benefits while undertaking their HE courses to take account of large part-time fees increases by local Universities.**

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<sup>153</sup> The Agency Workers Regulations (Northern Ireland) 2011.

<sup>154</sup> Bloomer, S., Hamilton, J. and Hughes, C. (2020) **Optimising opportunities for Workplace Justice for Migrant Workers in Northern Ireland and Republic of Ireland**. Crossing Borders, Breaking Boundaries, Ulster University Policy Papers.

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**9.22 Improve access to public transport, particularly to allow workers in areas of low job density to easily access areas where there is high job density.**

**9.23 Extend the Disability Smart Pass to cover the full cost of travel for those who cannot drive for medical reasons.**

**9.24 In consultation with the Consumer Council, the advice sector and other bodies, develop strategies to minimise the ‘poverty premium’, exclusions arising from personal debts, the negative activities of ‘loan sharks’ and exposure to all forms of high interest credit targeted at those on low incomes. As a minimum, strengthen the enforcement of lending regulations and prevent illegal lending by establishing a NI inspectorate with enforcement powers. But also provide support to assist the development of low/no interest financial facilities.**

In December 2020, a London coroner ruled that air pollution had contributed to the death of a nine-year old girl who had severe asthma.<sup>155</sup> This ruling is concerning for children in NI, since many of the poorest parts of our inner cities have levels of air pollution as high as London’s. Ambient (outdoor) air pollution is a major environmental health problem, estimated to cause 4.2 million premature deaths worldwide per year in 2016; this mortality is due to exposure to small particulate matter of 2.5 microns or less in diameter (PM2.5), which cause cardiovascular and respiratory disease, and cancers. While the World Health Organisation (WHO) estimates that 9 out of 10 deaths from air pollution are in low and middle income countries, in the WHO list of countries and cities in Europe that have fine-particle air pollution levels above 10 micrograms per cubic metre, the UK features large, with 30 cities having levels above that limit. Derry City is one of these, with air pollution levels similar to London.<sup>156</sup>

High levels of ammonia from farming and agribusiness contribute to high levels of particulate matter across the region, interacting with vehicle emissions to hugely impact child health.<sup>157</sup> The impact of air pollution on health differs according to socio-economic conditions. In Northern Ireland in 2016/17, for example, the % gap in the standardised hospital admission rates for respiratory conditions, between residents of the most deprived areas and the least deprived areas is 93%. When we look only at under-75 years olds with respiratory conditions, the gap rises to 113%. These gaps have increased since 2013/14.<sup>158</sup>

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<sup>155</sup> **New Scientist** 16 December 2020.

<sup>156</sup> World Health Organisation (2018), **Global Ambient Air Quality Database** (update 2018), World Health Organisation, Geneva.

<sup>157</sup> Air Quality Expert Group (2018), **Air Pollution from Agriculture**, DEFRA.

<sup>158</sup> DoH (2019), **Health Inequalities: Annual Report**, Information Analysis Directorate, Department of Health, Belfast.

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**9.25 Child poverty is compounded by high levels of air pollution in inner-city areas. We recommend more air quality monitoring around schools and the development of school-based journey-to-school plans involving parents, local councils, the Roads Service and relevant government departments, preceded and followed by an information campaign for parents.**

**9.26 Explore the expansion of free public transport to reduce car use considering the climate emergency, as well as reducing the costs of accessing employment.**

### **Sustainable development**

Five years ago, the UN General Assembly adopted an Agenda for Sustainable Development<sup>159</sup> which called for a new approach in the following terms:

*Sustainable development recognizes that eradicating poverty in all its forms and dimensions, combating inequality within and among countries, preserving the planet, creating sustained, inclusive and sustainable economic growth and fostering social inclusion are linked to each other and are interdependent.*

NI's APS will need to develop dynamically in line with responses to the climate emergency. This is a departure from policy thinking that sees wealth creation coming before poverty reduction and separate from it.<sup>160</sup> In the words of the Special Rapporteur on extreme poverty and human rights:

*In the twentieth century, it was thought that growth was a precondition for reducing inequality, eradicating poverty and reversing environmental damage. But there is an alternative: a development model that takes seriously the interrelated challenges of poverty eradication and environmental sustainability, by incorporating those concerns into the model of growth itself, rather than seeing them as an afterthought or a hoped-for by-product.<sup>161</sup>*

There are few signs that such thinking is embedded in public and private sectors in NI at present. But public policy will soon be dominated by decarbonisation of the economy and the APS needs to ensure that labour market transitions and changes in energy and land use are socially just. In other words the link between the climate emergency and an APS goes well beyond the issue of 'fuel poverty'.

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<sup>159</sup> UN General Assembly (2015) Transforming our world: the 2030 Agenda for Sustainable Development, 21 October 2015, A/RES/70/1.

<sup>160</sup> For example, as the NI Audit Office (2012) reported: 'Invest NI has primarily regarded itself as a wealth creation agency'. Invest NI: a performance review, paras 6, 2.3 and 2.23.

<sup>161</sup> De Schutter, O. (2020) The "just transition" in the economic recovery: eradicating poverty within planetary boundaries, Interim report of the Special rapporteur on extreme poverty and human rights. 7 October 2020, A/75/181/Rev.1.

**9.27 The strategy needs to engage with the cross-cutting issues of:**

- **retrofitting of housing and other property;**
- **decarbonisation of home heating, transport, and electricity production**
- **changes in agriculture and land use;**
- **prioritising employment recruitment and training in areas of high unemployment;**
- **decentralisation from the Belfast urban area, with reduced commuter carbon footprint.**

# 10. Poverty measurement and monitoring

## 10.1 The measurement of child poverty should include:

- **Relative income poverty:** Children living in households whose income is below 60% of the UK median equivalised net household income, based on disposable income both before and after housing costs are deducted (as now).
- **Anchored income poverty:** Children living in households whose income is below 60% of the UK median equivalised net household income, based on disposable income both before and after housing costs are deducted, and anchored to a baseline year (2015/16) (currently referred to as ‘absolute’ poverty).
- **Combined low income and material deprivation:** Children living in households whose income is below 70% of the UK median equivalised net household income, based on disposable income both before and after housing costs are deducted, AND who experience material deprivation.
- **Persistent poverty:** Children living in relative income poverty now and in at least two of the three preceding years (OECD and EU definition).

**10.2 We recommend that the above four poverty measures are published for all individuals, working-age adults and for pensioners, and that the ‘after housing costs’ measure is used as the headline figure.**

**10.3 In addition to the child- and pensioner-specific deprivation tables produced as part of the HBAI series, results should be published for the adult/household items in the Family Resources Survey (FRS).**

**10.4 We propose that the FRS child, pensioner and working age deprivation items are reviewed in the light of criticisms of the ‘prevalence’ method, the lack of relevance of some items and the poor alignment with international comparators.**

**10.5 Additional indicators for deprivation should be published using the EU-SILC measures for children (percentage lacking 3 out of 17 items) and persons (percentage lacking 5 out of 13 items). If necessary, harmonise the FRS material deprivation questions with those in the Survey on Living Conditions. In particular, we urge that the FRS includes,**

as soon as possible, ‘computer with internet access to carry out homework’ among the child deprivation items and ‘computer with internet access’ for the household deprivation items.

**10.6 The list of deprivation items should be compatible with those used in the Republic of Ireland so that comparisons can be made with the ‘consistent poverty’ and ‘deprivation rate’ measures.**

**10.7 Headline poverty reporting should include an easily comprehensible measure of the ‘poverty gap’,** i.e. how far below the poverty line the average person is per week. While the priority is for data on children, we recommend that the poverty gap is routinely reported for children, pensioners, working age adults, different family/household types, for the protected categories under equality law, and principal economic status.

**10.8 To counter the relative invisibility of disabled people within the poverty statistics, we recommend that disability benefits are treated as ‘unavoidable costs’ and excluded from disposable income for the purposes of income poverty calculation.**

**10.9 Social Care statistics should include information on disabled people and self-directed support (SDS) including: the number of disabled people in receipt of SDS direct payments; the proportion of assessed care needs covered by the financial allocation from the HSC Trust; the number of users making a contribution towards the funding of their care; the number of individuals totally funding their own care. These statistics should be available for annual reporting on the APS.**

**10.10 We recommend that research is carried out to evaluate the effect of replacing the current method for equivalising net household income (OECD) with relativities for additional children and adults derived from a budget standards approach** (such as the Minimum Essential Standard of Living and Minimum Income Standards research).

**10.11 Severe poverty of families with children should be measured and monitored annually as a combination of very low household income (<40% AHC) and the lack of specific adult deprivation and household items,** such as inability to ‘keep accommodation warm enough’ and inability to ‘keep up with bills and any regular debt repayments’.

**10.12 Annual poverty reporting should include estimates of ‘destitution’.** An advisory group should be established across statutory, voluntary and community sectors to agree ways of monitoring destitution which will supplement survey-based measures such as the new ‘food insecurity’ data available from the FRS. The advisory group should seek to establish non-intrusive ways of monitoring and recording data on, for example, foodbank usage, the

demand for emergency supplies of clothing and household goods, the lack of seasonally appropriate clothing and footwear, the need for emergency shelter, destitution-related demands on social workers and health services, numbers of street homeless, and those without heat and light for continuous periods. This monitoring must include estimates of the numbers of children affected.

- 10.13 Ideally FRS ‘food insecurity’ should be measured for children, pensioners, working age adults, different family/household types, for the protected categories under equality law, and principal economic status. The FRS ‘food insecurity’ questions need to be revised to include references to children.**
- 10.14 Consideration needs to be given to the development of online surveys on issues relating to low living standards with the capacity to produce rapid results to inform policy decisions.**
- 10.15 Consider carrying out regular child-specific surveys on material deprivation of children with a focus on food, participation in social and school activities, and household items (including access to computers and the internet).**
- 10.16 Support Safefood (the all-island body set up under the British-Irish Agreement Act 1999) to continue to carry out focus group work that establishes a Minimal Essential Standard of Living for food across the island of Ireland and publishes the costs of healthy food budgets for different household types relative to benefits and minimum wage levels. Work on food poverty should be supported by proceeds from the ‘sugar tax’.**

# 11. Next Steps

As a minimum, first stage actions under the APS (to 2025/26) need to include the following. This is not an exclusive list but a necessary one.

- Agree interim targets for reducing child poverty by 2030 across the four measures. For example a reduction of 30% from the baseline figures for 2015/16 should be feasible for relative income poverty – to a rate below 18%. The final target should be a rate below 10%. Scotland’s targets are a useful guide.
- Draft the Anti-Poverty Act for consideration by the Assembly. Prepare amendments to legislation to implement recommendation 6.11.
- Introduce the new Child Payment by 2023/24.
- Secure key political commitments on low pay and the real living wage and implement existing legislation on equality monitoring of pay.
- Initiate a programme of work based on all of the recommendations above relating to disabled people.
- Taking account of any changes made by the UK government, review the mitigations package with a view to ending the two-child policy, the benefit cap and the ‘bedroom tax’, and other ‘non-retrogression’ recommendations listed above.
- Develop a programme of work around the social security recommendations listed in 7.1 to 7.13 and, specifically in relation to pensioners, in 8.1 to 8.5.
- Prepare for the poverty and inequality measurement and monitoring recommended in this report. This to include establishing the specialist group to advise on the measurement of destitution.
- Implement the recommendations for APS accountability proposed in this report, including a poverty truth commission, research on the poverty experience of children and young people, and the experiences of particularly marginalised groups.
- Draw up and pass legislation in the Assembly enabling NIHE to set up a Mutual Trust to build social housing.

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