



# **Response to the Consultation on Passported Benefits in Universal Credit – Northern Ireland Input**

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and the Department of Social Development

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The Women's Resource and Development Agency (WRDA) is a regional organisation whose mission is to 'to advance women's equality and participation in society by working to transform political, economic, social and cultural conditions'. The organisation was established in 1983 and works with women's groups from all traditions in the most severely disadvantaged communities, and from urban and rural areas of Northern Ireland. We work from the grass roots to the highest levels of policy making and politics, providing advocacy and lobbying support. WRDA is a membership organisation with over 400 members comprised of Women's Groups, Organisations, and individual members.

**Q2b Please indicate which groups of claimants you represent or assist and tell us which of the passported benefits are most important to these claimants, and why.**

WRDA represents women of all ages and from all sections of the community. The various reforms to UK economic policy have had a disproportionate effect on women, especially the reforms to the benefits system. The House of Commons Library identified that out of the £8 billion changes to benefits and taxation 72% will be borne by women in contrast to 28% by men. This leaves women in a more vulnerable situation when other changes are being considered such as passported benefits. All of the passported benefits are of great importance to women on low incomes as these can ease some of the financial pressures. Research by Catterall and Hamilton (2008)<sup>1</sup> shows that in many households, women are responsible for day-to-day budgeting whereas men are responsible for ensuring bills are paid. There is evidence that women's money is spent on the family whereas money belonging to men is spent on other things<sup>2</sup>.

In a report written for WRDA<sup>3</sup>, '*The Northern Ireland Economy: Women on the Edge?*' many of the women (especially those who are lone parents) interviewed told of the difficulties they had in making their benefits stretch from one payment to the next. Passported benefits help these women and their families to maintain a basic standard of living. These benefits are important in helping to prevent child poverty and social exclusion. Free school meals help to ensure that, even when money is limited or non-existent at the end of the fortnightly payment period, children will be fed. School uniform grants ensure that children can be dressed appropriately for school and eases the

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<sup>1</sup> Catterall, M. And Hamilton, K. (2008) "Cooperation and Conflict in Family Decision Making" *European Advances in Consumer Research* 8

<sup>2</sup> WRDA Report (2011) *The Northern Ireland Economy: Women on the Edge?* Bronagh Hinds Available at <http://www.wrda.net/Documents/The%20NI%20Economy%20-%20Women%20on%20the%20Edge%20Report.pdf>

<sup>3</sup> Ibid

pressure on an already stretched budget. Additional help with school costs e.g. transport to and from school, and help with school trips are vital to low-income families. As noted in the WRDA report, mothers will often ignore their own basic needs to make sure that their children are not missing out.

“Gingerbread Northern Ireland identified the critical issues for lone parents as: stress; social isolation; negative attitudes in society; low personal expectations; stereotyping; complexity of the benefit and tax credit systems; financial difficulties leading to poverty and debt; high fuel costs and basic food such as fresh vegetables and meat becoming a luxury; limited access to relevant training opportunities and difficulty in finishing/continuing education and training; the high cost of and access to childcare provision; and poor health”.<sup>4</sup> When women are living like this, any additional expenditure such as health costs, legal costs, fuel prices, and other unexpected costs can seem like the final straw and can often result in poor physical and mental health. Healthy start vouchers are of real importance to pregnant women and young children, without these many would not be getting a healthy diet as the price of fruit and vegetables is increasing.

**Q3b(i) Do passported benefits influence the decisions people take about *moving into work*? Please give your reasons for believing this and provide any evidence that you have.**

Low wages and the cost of/lack of childcare provision are often cited as the greatest disincentives for women moving into work. As noted in the WRDA report, ‘women are more susceptible to in-work poverty due to entrenched low wages, part-time working and wage reductions for flexible work arrangements for caring responsibilities.’<sup>5</sup> Furthermore it is worth knowing that the ‘Universal Credit’ will strengthen the work incentive for the primary worker in couples and thus weaken the incentive for women.<sup>6</sup> WRDA would contend that this is discriminatory and will result in reinforcing women’s roles as unpaid carers in the family.

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<sup>4</sup>WRDA Report (2011) *The Northern Ireland Economy: Women on the Edge?* Bronagh Hinds (p55) Available at <http://www.wrda.net/Documents/The%20NI%20Economy%20-%20Women%20on%20the%20Edge%20Report.pdf>

<sup>5</sup> Ibid pg. 121

<sup>6</sup> Ibid pg 121

**Q3b(iii) How, if at all, do passported benefits affect people's *quality of life*?**

As mentioned above, passported benefits can help to improve the quality of people's lives by alleviating, in small but useful ways, financial stress. These benefits ease the burden for many women and in turn improve the lives of their children. In low income households they are not considered as 'extra' but as an integral part of the household budget and therefore removing these will inevitably lead to a much decreased quality of life.

**Q4 What, in your view, are the key issues that need to be considered in the design of passported benefits under Universal Credit, and why? Do these key issues differ for different types of passported benefit? If so, please give details.**

A key issue in considering the design of passported benefits under Universal Credit is to ensure that the needs of the primary care provider (most often women) and children are met. These types of benefit are often viewed as 'gender neutral' but because the majority of women deal with household budgeting and are often the one to go without in order to balance the family finances, any change in passported benefits will have a greater impact on women.

**Q5 What are the potential advantages and disadvantages for claimants, delivery agents and advice services of changing the eligibility criteria for passported benefits under Universal Credit?**

If the eligibility criteria for passported benefits under Universal Credit is changed in such a way that all claimants within a set criteria are automatically eligible for passported benefits, this would make claiming much simpler rather than having to apply to different places with different forms all of which currently need to be stamped by the recipient's benefit office.

**Q8 What would be the implications if in-kind passported benefits became cash benefits under Universal Credit? How, if at all, would these implications differ for different in-kind passported benefits?**

Under Universal Credit, it is proposed that the payment is made to one person in the family on a monthly basis. Experience tells us that in most households the man will be the named recipient. WRDA are very concerned at the further potential erosion of the

economic independence of women. Again, acknowledging how in low income households money spent from the purse will go on different things that money spent from the wallet it is desirable that if the passported benefits became cash benefits, that women in couple households are the named recipient.

**Q10 Can you please provide us with details of any research or other evidence, including case studies and specific examples, relevant to our enquiry?**

The recently published WRDA report 'The Northern Ireland Economy: Women on the Edge?' examines women's current economic position, economic participation and the impact of the economic crisis on their lives. It provides a robust evidence base on women's position in terms of the economy, employment, childcare, pensions, welfare, debt and credit, and housing and fuel debt. The report also has detailed sections dealing with the impact of the economic downturn on specific groups of women – lone parents, migrant women, young women, and older women.

Women comprise 53% of benefit recipients in the region and given that more women work part-time and are on lower wages, they rely more on benefits (including passported benefits) and tax credits than men do and these make up a larger share of their income.<sup>7</sup>

In conclusion we would also reiterate that our major concern in terms of welfare reform and the introduction of 'Universal Credit' is that the effect has been/will be to increase women's economic dependency on men. The DWP have stated that '...Universal Credit will be a household award. In couple households, therefore, the other member will cease to be entitled to existing benefits and will become part of the household award for Universal Credit.'<sup>8</sup> Universal Credit will not safeguard personal access to welfare support for women in couples and is a further erosion of women's economic autonomy.

WRDA are happy to discuss any issues arising from this consultation.

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<sup>7</sup>WRDA Report (2011) *The Northern Ireland Economy: Women on the Edge?*, Bronagh Hinds (p117) Available at <http://www.wrda.net/Documents/The%20NI%20Economy%20-%20Women%20on%20the%20Edge%20Report.pdf>

<sup>8</sup> DWP, *Universal Credit: Welfare that Works*, Department for Work and Pensions, November 2010