

# **The Education (Supports for Survivors of Residential Institutional Abuse) Bill, 2023**

*Submission from Fréa Mother and Baby and County Home Institutions Programme*

*Presented by Patrick Rodgers, Regional Manager*

## **About Fréa**

Fréa, available at [www.frea.org.uk](http://www.frea.org.uk), is a partnership between three leading Irish charities in the North of England. The program's goal is to ensure former residents are aware of and can access the various strands of the Irish Government's Action Plan.

## **Collaborations**

Fréa collaborates closely with the Survivors Project at the London Irish Centre and the Coventry Irish Society.

## **Primary Concerns**

- Potential issues for recipients of means-tested benefits living in the UK.
- Specific Department for Work and Pensions means-tested benefits and their criteria.
- The impact of one-off payments on claimants' capital savings limits.
- Challenges with trust funds.
- Illustrating the effect of a one-off payment on Universal Credit recipients.

## **Urgent Clarifications Needed**

The necessity for clarification from the Department and Pensions and the importance of communication between parties.

## **Conclusion**

A call for support in liaising with the Department and Pensions to ensure equitable access and no penalties for welfare benefits recipients in Britain who may wish to apply for financial redress.

## Overview

Fréa [www.frea.org.uk](http://www.frea.org.uk) is a partnership between three leading Irish charities in the North of England. The Fréa Mother and Baby and County Home Institutions Programme aims to promote and facilitate access to ensure former residents are aware of and can access the various strands of the Irish Governments Action Plan. This includes the payment scheme and accessing the health-related payment. Fréa works closely with colleagues at the Survivors Project at the London Irish Centre as well as the Coventry Irish Society.

While we broadly welcome the fact that former residents of Mother and Baby or County Home Institutions will be able to avail of a payment to help them access health care, we also have concerns that it may cause problems for those who receive means tested benefits and are living in the UK.

Department of Work and Pensions means tested benefits in Britain are Universal Credit, Pension Credit, Job Seekers Allowance, Employment Support Allowance, Housing Benefit and Council Tax Support.

In order to access means tested benefits certain criteria regarding capital have to be met. These broadly can be broken down into two parts;

- Capital
- Income

**Capital:** The lower capital limits for Benefits in Britain are as follows; £6000 for benefits claimed by people under 66 and £10,000 for people over 66. After a person's capital exceeds this amount their benefit is reduced by a £1 for every £500 that they have in savings. If a person has capital in excess of **£16,000 they are no longer entitled to means tested benefit (with some exceptions.)**

As such any large one-off payment could adversely affect claimants, where it has the effect of bringing them over the capital savings limits.

There is scope to disregard certain income for the purposes of capital, however it does not appear that these disregards apply to Capital accrued as a result of Mother and Baby and County Home payments.

Payments in relation to capital that can be indefinitely disregarded (amongst other reasons) for;

*1.6 persons who have been the subject of historical institutional child abuse in the **United Kingdom***

We have examined alternatives, such as setting up a Trust fund, however, we have concerns that this would not be eligible to be disregarded. The rules on disregarding capital accrued through a large payment and held in a Trust Fund state that capital can be disregarded;

*Where a person has been awarded a sum in consequence of a personal injury to that person and the sum is*

- 1. held in trust*

*the amount shall be disregarded from the calculation of the person's capital*

*Payments can only come within this disregard where the claimant or partner for whom the payment was made themselves suffered a physical and/or psychological injury. If there is any doubt as to what*

*the payment was awarded for, then the DM (Decision Maker) should request sight of the papers awarding the amount. These should specify on what basis the award was made.*

**ADM Chapter H2: Capital Disregards** [ADM Chapter H2: Capital Disregards \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

Our concern is that any payment in this instance would be not regarded as the result of personal injury and so be counted as capital. Further setting up a trust can be an expensive process, costing up, as a minimum £1000 (sterling.) As a result, many of our clients would lose a significant amount money that should be used to address health needs as a result of their time in a Mother and Baby or County Home.

**Income:** Means tested benefits also take into account income. In some cases, a one-off payment can affect a benefit claim. Where excess income is received a claim can be stopped or no payment maybe made for the following payment period. Income up to a certain level is allowable, though this is still taken into account and may reduce the amount of means tested benefits received.

To illustrate this point, we would ask that you consider a person receiving Universal Credit. They have a monthly payment period. The amount the claimant of Universal Credit receives each month is based on their numerous factors including any income received during that monthly period. Where the claimant receives any income, this will be taken into account when working out the monthly amount that the claimant receives.

Where a claimant receives a one-off payment 3000 Euros (currently £2600) this would wipe out any payment that a claimant would receive for a monthly period.

To put into context what this could mean; Universal Credit payments cover both day-to-day expenses and housing payments. In effect it maybe that receiving a one-off payment for health costs would negatively impact the claimant as they would not receive a Universal Credit payment and in effect they would need to use the health care payment to cover day to day living expenses and rent.

There is a scope for income to be disregarded, however it is unclear whether this can be disregarded **as income**. The payment does not appear to be covered under British government regulation as 'unearned income.' If this is the case it maybe that for the individual payment periods that it can be disregarded and as such would not affect a claimant's payment, however this needs to be clarified with the Department for Work and Pensions prior to any payment being made. Further if this is the case it is essential that such information should be communicated to Department for Work and Pensions so that they do not stop payments in error.

[ADM Chapter H5: unearned income \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

In order to properly advise claimants, we need this to be clarified by the Department for Work and Pensions as a matter of the utmost urgency in order to facilitate a smooth process of accessing payment schemes.

We welcome your support in liaising with the Department for Work and Pensions. This will ensure equitable access to any payment scheme for all former residents; and that those accessing welfare benefits entitlements in Britain are not penalised in any way.

Thank you for your support.