



Northern Ireland
Assembly

**COMMITTEE
FOR THE OFFICE OF THE
FIRST MINISTER AND DEPUTY
FIRST MINISTER**

**OFFICIAL REPORT
(Hansard)**

Child Poverty Bill

30 September 2009

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mrs Naomi Long (Deputy Chairperson)
Ms Martina Anderson
Mr Francie Molloy
Mr Stephen Moutray
Mr George Robinson
Mr Jim Shannon
Mr Jimmy Spratt

Witnesses:

Dr Gerry Mulligan)
Ms Patricia Carey) Office of the First Minister and Deputy First Minister
Mr Michael Pollock)

The Deputy Chairperson (Mrs Long):

We now move to the UK Child Poverty Bill. During our meeting of 16 September, members will recall that we agreed that the departmental officials would return today to answer further questions that the Committee has in relation to the UK Child Poverty Bill. Included in members' packs is a copy of the letter from the First Minister and deputy First Minister in response to the Committee's concerns that were raised about the letter of 7 July. Members were also asked to bring the relevant papers from the meeting of 16 September.

I welcome Dr Gerry Mulligan, Mrs Patricia Carey and Mr Michael Pollock to the Committee. Thank you for coming back to answer some questions. I invite you to make a short presentation

to start the session, after which we will ask questions.

Dr Gerry Mulligan (Office of the First Minister and deputy First Minister):

I thank the Committee for giving us another opportunity to bring you up to speed with the Bill. This is a fast-moving Bill and I am anxious to make sure that the Committee is informed of what is going on at every key stage. I am only too happy to appear before the Committee.

Yesterday, I was in London with the officials working on the Bill, so we are now a bit clearer about timescales. I will brief the Committee on the processes and stages, particularly the stages at which we hope to engage again with the Committee as we aim towards the enactment of the Bill. It may be useful to go through the stages, as we see them happening, with dates, so that we can alert the Committee as to when things are likely to happen.

I read the Hansard report of our last meeting, when a number of issues was raised. I will make a few general points about some of the queries, but I emphasise that we will also give the Committee a formal written response to the queries that are raised.

There was a number of issues around how we bind district councils into the legislation. I had the chance to raise that issue with the Bill team in London. Like us, the Bill team was of the view that the best vehicle for specifying the details of what district councils should do is a local government reform Bill. Although, if the amendments are accepted, the scope of the Bill will be broadened to go beyond our Department and to other Departments and public bodies, the Bill team felt that the actual detail of what district councils should do would be better dealt with in a local government reform Bill. We will provide advice to Ministers about that matter in due course.

Tax credits were mentioned by Mr Shannon. The Bill states that:

“In preparing a UK strategy, the Secretary of State must consider what (if any) measures ought to be taken in each of the following areas”.

One area that is specified is:

“the provision of financial support for children and parents”.

Although it does not specify tax credits, they are clearly part of that policy armoury. In that context, I was interested to note some comments that were made yesterday by the Prime Minister at the Labour Party conference, where he said:

“And I can say today that not just the minimum wage, but child benefit and child tax credits for families will continue to

rise every year.”

The current Labour Government have made a clear commitment to continue tax credits and to increase them every year.

Once the Bill is enacted, the UK strategy will begin to be developed. In fact, yesterday’s discussion was very much about what the strategy will contain. Consultation on that is likely to begin early next year, and the child poverty unit — which is the relevant unit in the Department for Children, Schools and Families — will consult with our Ministers as part of that. Therefore, the Committee and our Ministers will have a chance to view the detail of what is being proposed in the UK strategy and will be consulted on it.

The other issue that arose had to do with action plans and the fact that the Department has not yet published action plans. As I have said previously, OFMDFM is currently conducting a series of bilateral discussions with Departments with a view to identifying not only relevant programmes, but what gaps exist. Following on from those discussions, the Department hopes to put recommendations to an Executive subcommittee later this year. The Department is not yet in a position to publish all of the actions coming out of that, but it has been made aware of the range of measures that Departments are taking. For example, OFMDFM has had one meeting with the Department of Enterprise, Trade and Investment in which we were advised that that Department is working in areas such as affordable credit, energy costs, job-creation schemes and debt advice. Those are the sorts of things that OFMDFM wants Departments to specify, and the plan is to publish in due course a detailed list of current departmental programmes and actions on tackling child poverty.

Mr Molloy:

Gerry spoke about the issue of child tax credits, but I want to again raise the issue of childcare vouchers. People living in the South of Ireland and working in the North — some of whom are working in local government — are unable to take advantage of that scheme because their children are being cared for in the South and the Treasury refuses to redeem vouchers for providers there. Will that issue be dealt with in a similar way to child tax credits?

Dr Mulligan:

I cannot say whether that would definitely be included. However, the Department will raise that issue and include it in our formal written response to the Committee.

The Department is reaching the conclusion of its discussions with the Bill team on the amendments that it is seeking in light of comments from the Committee and the Executive. With respect to our target dates, OFMDFM is obliged to introduce a legislative consent motion to the Assembly, and that must take place before the Westminster Report Stage of the Bill, which is currently scheduled for 9 November or 10 November 2009. Therefore, it is envisaged that the Assembly's plenary sessions on those dates will afford the opportunity to hold that debate. Those are the dates that the Department is currently working to and, to that end, the First Minister and deputy First Minister will be writing to Minister Timms, who is a Minister in the Treasury, early next week.

The next critical date for the Bill will be the tabling of the amendments by Minister Timms — if he accepts the proposed amendments — to the Children, Schools and Families Committee, and that is expected to occur during the week beginning 12 October 2009. As soon as OFMDFM is made aware of whether its proposed amendments have been tabled, it will write to the OFMDFM Committee with a memorandum that will include a copy of the Bill with draft amendments and a draft motion for the legislative consent debate. The Department hopes that the OFMDFM Committee will consider that communication at its meeting on 21 October 2009 and, if necessary, departmental officials are available to attend that meeting.

Subject to the views of the Committee, the legislative consent motion will be tabled on Thursday 22 October or Friday 23 October, which does not allow a great deal of time between the Committee meeting and the tabling of the motion. There will then be Halloween recess. If the motion can be scheduled to go before the Business Committee in its meeting on 3 November, the motion could go before the Assembly on Monday 9 November or Tuesday 10 November. That is the timescale that we are working to, which, as members will appreciate, is very tight.

Ms Anderson:

Despite the feedback and comments on clause 13, I still think that the reporting duty should be on OFMDFM rather than the Executive. If the Executive have the reporting role, there will be nobody to engage with, as everyone, rather than a specific Department, will have responsibility. Departments need to report on what they are doing. Given that OFMDFM is carrying out a child poverty inquiry, the reporting duty should be on OFMDFM, not the Executive. It seems to be a catch-all approach that is taken in the Bill, and I am not satisfied with its wide scope.

I am still concerned about the issue of tax credit, despite what you have said. You stated that a provision for financial assistance to families will be included in the Bill. If there are no plans for variation in each devolved Administration and if the provision will be overarching, we will have it because we have a tax credit system that has not been transferred. We all know the difficulties that the implementation of that system is causing here. Unless there is some variation in the provision to take account of the needs of each area represented by the different Administrations, we will end up with an overarching provision that will impact differently here than it will in England. Some kind of variation must be built into that provision to accurately reflect needs in the North.

Clause 8 states that the Secretary of State will prepare the strategy and consider what measures, if any, ought to be taken in certain areas. Again, no similar duty is placed on OFMDFM. This Committee has carried out a child poverty inquiry, so we have evidence of the difference between what happens here and what happens elsewhere and we know of the needs of the community, so we know that there needs to be a similar duty. Those are the three issues in the Bill that should be strengthened.

Dr Mulligan:

We expect the Bill to be drafted so that only the First Minister and the deputy First Minister will have a duty to report to the Assembly. However, the wider duty on other Departments and public bodies is defined in clause 11(2), which states:

“A ‘Northern Ireland strategy’ is a strategy under this section setting out the measures that the relevant Northern Ireland department proposes to take”.

I expect that clause to be amended to state “the relevant Northern Ireland Departments” and “the relevant public bodies”. In all other regards, the duties, particularly reporting duties, will be on only the First Minister and the deputy First Minister.

Ms Anderson:

Will the Bill state that rather than leaving us to assume it?

Dr Mulligan:

I expect so.

Ms Anderson:

I want to know whether your expectation is based on what you think will emanate from the implementation of the Bill. Do you expect the wording of the Bill to be changed to reflect that?

Ms Patricia Carey (Office of the First Minister and deputy First Minister):

If the wording of the Bill does not change, it could be possible to change the wording of the explanatory notes to make that clear. There was a strong feeling, particularly among stakeholders, that although OFMDFM is the lead Department, it is important to tie in the Executive. We need to achieve that balance.

The Deputy Chairperson:

This issue is about the reporting duty.

Dr Mulligan:

That is the intent of the policy, and I expect it to be reflected in the drafting of the legislation.

Ms Anderson:

To clarify, I understand the difference between responsibility and reporting; it was the annual report that I was interested in.

Dr Mulligan:

It is difficult for us to be prescriptive on tax credits, because they are outwith the gift of the Administration. The legislation contains a commitment that the UK strategy will cover the provision of financial support for children and parents. That is the hook on which a number of areas of financial support will hang, and I fully expect tax credits to be included, particularly given Gordon Brown's commitment yesterday. The fact that it is a reserved matter means that we are limited in how strongly we can press on the specifics. However, we will reflect that concern to colleagues in Westminster who are preparing the Bill.

Ms Anderson:

I also asked about clause 8, which deals with UK strategies and the duties of the Secretary of State.

Dr Mulligan:

Again, I will rehearse the reasoning behind the degree of specificity that is in the Bill but is not in the Northern Ireland or Scotland sections. It is recognised that, with the exception of financial assistance and tax benefits, the services that are so important in tackling child poverty are transferred matters. The Bill team would, therefore, have been loath to be prescriptive about what should be included in the strategy for the devolved Administrations in Northern Ireland and Scotland. The team wants our Ministers and Executive to have a say in the strategy, taking into account our local circumstances and needs. The Bill team is hesitant about being too specific because those are transferred matters.

Mr Shannon:

Thank you, Gerry. I am not, perhaps, as confident as you about Gordon Brown's comments on tax credits. Yesterday, he gave a verbal commitment, but I would be much happier if he had set out his intentions in a tighter time frame. I am ever mindful that everyone will be going to the polls by 7 May 2010 and that, therefore, he may not be able to give a legislative timescale.

Did I understand correctly that legislation affecting local councils will be laid down?

Dr Mulligan:

We expect a local government reform Bill to be brought forward some time next year.

Mr Shannon:

Given that we expect the motion to go before the Assembly by 9 November or 10 November, should the legislation be very specific about the role for local councils? Wearing my hat as one who is a councillor outside the Building, as are most members, I am aware of the role of councils. A responsibility for child poverty cannot simply be thrown at councils to take on as their "baby", so to speak. We cannot walk away and leave them to work out what that means. Will the councils be appropriately resourced and staffed? Will they be able to cope with any such responsibilities that are directed their way? I want to ensure that that process has begun.

In the Committee's response to the Department on the Bill, we stated:

"Part 2 of the Bill places a duty on local authorities in England and Wales to undertake a child poverty assessment in their area and produce a local child poverty action plan. Again there are no such provisions for children living in Northern Ireland as part of the RPA legislation."

The Department's response to that was:

“we fully agree with the sentiments of the Committee’s points”.

Should the Bill be more specific about the roles for local councils? We must devise a plan that delivers fully. You may be aware of the Northern Ireland Local Government Association. That organisation may have a good gauge of councils’ views and how they envisage interacting. We must ensure that we get everything in place. It would be terrible to bring legislation to the Chamber that is based on proposals that, with respect, have not been thought through. We must get it right.

Dr Mulligan:

Two issues came up in our discussion with Whitehall officials yesterday. One was around timing; they questioned how they could have specified a role for district councils in the Bill, given the prospective change in councils’ functions and duties here. To do so would be to define a duty for an organisation that has not yet been established in law. The other difficulty was presentational; having a particular, specified duty in the Bill for us and not for Scotland might create inconsistency in the legislation that could be a source of concern.

However, the main point was timing. The Whitehall officials believe that the appropriate vehicle is legislation that specifies in detail the duties and powers for the new local councils. We have a policy involvement in that area and want to be certain not to miss the opportunity to ensure that there is sufficient linkage between the two Bills.

Mr Shannon:

It is also important that everyone knows their role. I am conscious of the fact that we can contribute by highlighting areas of responsibility that may not be properly resourced or staffed in councils but that they may not be aware of as being under-resourced.

The Deputy Chairperson:

I have two questions about measurement, outcomes and targets. I have been raising those issues in relation to the Programme for Government, but they are also relevant to the implementation of the Bill, once it becomes law.

Once established, will the baselines that have been discussed be consistent across the UK, so that our performance can be measured locally and against how devolved Administrations in other regions implement the Bill’s requirements? Where will the focus of our targets be when they are

drawn up? Will we again be measuring activity or will we focus on outcomes? There is an issue about the hard and soft target that we are trying to hit.

Dr Mulligan:

The Bill specifies in detail how the targets will be measured. The relative-income target is that by 2020, no more than 10% of children will be in relative-income poverty. We intend to use methodology that is consistent with other regions to report on the progress that we make locally. Therefore, the answer to the first question is yes; we will be measuring on a consistent basis.

I think that the detailed framework for monitoring progress that was agreed by the Executive subcommittee has been sent to the Committee; if it has not, we will ensure that it is. That framework has a comprehensive set of indicators, some of which are directly linked to those targets; others are broader indicators of progress. It is being populated at the moment and will provide the baseline against which we will monitor progress, which we will in turn report to the Committee and the Assembly.

Ms Anderson:

Did the Committee ever receive that detailed framework for monitoring progress?

The Deputy Chairperson:

I do not think that it did.

Mr Pollock (Office of the First Minister and deputy First Minister):

It was sent, but I will send it again.

The Deputy Chairperson:

It might be helpful for the Committee to circulate that framework. It may be that the Committee received it and that members are not thinking about the same document as the one to which the witnesses referred. We will try to find that out. It would be helpful to have it sent again. Do the witnesses want to make any more comments before the evidence session closes?

Dr Mulligan:

No, the timetable is tight, but I am happy to come to the Committee at short notice if you require a further briefing

The Deputy Chairperson:

That is great. I thank the witnesses for answering the Committee's questions.