



Northern Ireland
Assembly

Committee for Social Development

OFFICIAL REPORT (Hansard)

Welfare Reform EQIA: DSD Briefing

24 May 2012

NORTHERN IRELAND ASSEMBLY

Committee for Social Development

Welfare Reform EQIA: DSD Briefing

24 May 2012

Members present for all or part of the proceedings:

Mr Mickey Brady (Deputy Chairperson)
Ms Paula Bradley
Ms Pam Brown
Mr Michael Copeland
Mr Mark Durkan
Mr Alex Easton
Mr David McClarty

Witnesses:

Ms Martina Campbell	Department for Social Development
Ms Anne McCleary	Department for Social Development
Mr Michael Pollock	Department for Social Development

The Deputy Chairperson: I ask Anne McCleary, Michael Pollock and Martina Campbell to brief the Committee on the welfare reform equality impact assessment (EQIA). You are very welcome. Anne and Michael, you are getting to be familiar.

Ms Anne McCleary (Department for Social Development): I was about to begin by introducing Martina Campbell, who is sitting to my left. She is working with us and is taking the lead on universal credit. That is her special field, and I think that you will be seeing more of her in the next while.

The Deputy Chairperson: We will probably see as much of Martina as we do of you Anne.

Ms McCleary: Probably.

The Deputy Chairperson: It is more than likely, and I mean that in the most positive way of course.

Ms McCleary: Thank you.

The Deputy Chairperson: I refer Committee members to a letter in their folders, which indicates that the Minister has written to his Executive colleagues to seek their agreement to introduce the Welfare Reform Bill. It is hoped that their agreement will be given and that the Bill can be introduced before the summer recess. We will wait and see what happens. I also advise members that this briefing is not about the wider policy issues pertaining to welfare reform but is specifically about the EQIA. Anne, do you want to start?

Ms McCleary: Thank you for the opportunity to brief you on the completed equality impact assessment for the upcoming Welfare Reform Bill. As I think members are well aware, this is not the first time that we have discussed equality matters in the context of the draft Bill, and I am fairly sure that it will not be the last.

We provided the Committee with an extensive briefing paper in advance of the meeting and we do not really intend to go through every detail in that paper. I want to take a few moments to put the equality impact assessment into context and to explain where we are in the legislative process.

As I have probably said previously, the purpose of an equality impact assessment is to look critically at policy changes, or, in this case, proposed policy changes, and determine whether they will result in any adverse differential impact on any of the nine section 75 groups mentioned in the Northern Ireland Act 1998.

I am well aware that members have concerns about many proposals contained in the upcoming Welfare Reform Bill, and, in particular, those that will affect people who are deemed to be more vulnerable in our society; for example, children, the elderly or the disabled. Members will shortly receive a copy of the draft Bill and the explanatory memorandum that the Minister has circulated to his Executive colleagues for comment in advance of the Bill's formal introduction in the Assembly. Hopefully, that will afford members a fuller picture of the reform agenda and perhaps alleviate some of the concerns that there will be safeguards to protect the most vulnerable. Having said all that, I recognise that the reform agenda is challenging to say the least. However, I would stress that the underlying need to develop a welfare system that is fit for purpose and sustainable into the 21st century demands that reforms are radical, tackle the issue of welfare dependency and incentivise individuals to join or rejoin the labour market and play their part in society.

As the completed equality impact assessment states:

"the Department does not, as a matter of course, monitor religious belief, political opinion, racial background or sexual orientation for the purpose of administering the social security system in Northern Ireland."

In fact, if we were to do that in any of those fields, and consideration on any of those issues was a factor in benefit entitlement or rewards, I am certain that there would be scope for challenge on equality grounds.

As social security benefits are paid to individuals on the basis of entitlement and conditions that are in no way affected by affiliation to any of those section 75 categories, members will understand that the Department faced some obvious difficulties in gathering relevant data for the equality impact assessment. Quite a few of the responses pointed out information deficits, and I assure members that the Department continues to seek to address any material deficits in our information.

I may not need to go through the section 75 groups, as I am sure that you are aware of who they are. However, for the sake of completeness, they are: persons of different religious beliefs; persons of different political opinion; persons from different racial groups; persons of different ages; persons of different marital statuses; persons of different sexual orientation; men and women generally; persons with a disability; persons without a disability; persons with dependents; and persons without dependents. In that vein, we point members to the policy simulation model (PSM), which has been developed to assist in this regard, and advise that work in this important area continues. By way of information, we have provided members with a brief synopsis of the model, what it does and, perhaps importantly, what it does not or cannot do.

We do not purport to have a detailed knowledge of the statistical workings of the model, but we are happy to take members' questions back to the experts.

As I mentioned, the upcoming Welfare Reform Bill is essentially enabling legislation. Much of the detail of the particular reforms will be contained in regulations that we will bring to the Committee and, in some cases, the full Assembly.

We are therefore in a position where work is continuing to improve our information assets to assist us with the Minister's deliberations in these matters. A lot of work has gone into producing the model for Northern Ireland, and we can advise that, through the PSM and other research work that the Minister has commissioned, we are striving to get to grips with the potential impact of welfare reform on the ground in Northern Ireland.

With that in mind, I am happy to take any questions that you have at this point.

The Deputy Chairperson: Thanks very much. I have just a couple of questions before I invite members to ask theirs. The brief indicates that you continue to work with DWP to utilise the policy simulation model, as you mentioned, to enable further analysis of the impact of the various policies across the section 75 groups. Are you, in effect, saying that you still do not fully know the impact of the policies on the section 75 groups, even though we have the completed EQIA before us?

Ms McCleary: There is still ongoing work to improve the information that we have.

The Deputy Chairperson: So, although we have the EQIA in front of us, that will be —

Ms McCleary: There will be further information coming forward.

The Deputy Chairperson: Thanks. Will the findings of the further analysis be used to determine what actions need to be taken to address any differential and adverse effects of policies?

Ms McCleary: I am sorry; I did not quite catch the beginning of your question.

The Deputy Chairperson: Will the findings of the further analysis be used to determine what action needs to be taken to address any differential adverse effects of policies?

Ms McCleary: Certainly, if further information becomes available and indicates anything like that, we will look at it and see what needs to be done.

The Deputy Chairperson: So, this is an ongoing process?

Ms McCleary: Yes.

Mr Copeland: I have an observation rather than a question, which is probably rooted in a sense of exasperation. Section 75 of the Northern Ireland Act 1998 lists those people to whom due consideration needs to be given. In many ways, the unfortunate thing is that we are dealing with the socio-economic and social groupings that transcend all boundaries. It is they who will be discriminated against, and it is they who will derive no significant protection from section 75. I cannot see how it can ever be changed so that that can be included, but we are dealing with and examining section 75 with regard to groups of people, when the reality is that a substantial number of people will be affected purely because of their socio-economic station in life. That is regrettable, if realistic.

Ms McCleary: I do not think I can let that pass: the intention behind the legislation is to help that very group.

Mr Copeland: I understand.

Ms McCleary: The aim is to lift them out of poverty and help them into work and so on.

Mr Copeland: I sincerely wish you well with that, Anne, but I somehow suspect that the outcome will fall well short of the aim.

The Deputy Chairperson: I have another few questions. Paragraph 18 of your briefing states:

"it is hoped that the model can be developed in late 2012/13."

How does that sit with the scheduled implementation of the proposed changes to the current system?

Ms McCleary: I will let the expert deal with that.

Mr Michael Pollock (Department for Social Development): What paragraph did you refer to, Mickey?

The Deputy Chairperson: It is paragraph 18 of part 4, which states:

"However, the Department is currently working towards acquiring the necessary data and it is hoped that the model can be developed in late 2012/13."

I want to know how that sits with the proposed changes to the current system.

Mr Pollock: The Department has an overarching project team that covers most of the welfare reform agenda. Our analytical services unit (ASU), which is dealing with the technical workings of the policies relating to the PSM, attends that group's meetings.

The most recent meeting was last Thursday or Friday. At that meeting, we were advised that they were getting the data; that they had business cases with the HMRC about data-sharing, and would be getting HMRC data to enable them to build on the model. ASU should have that information this month or next month, which will allow them to build up the various models in conjunction with the other data available from the Family Resources Survey (FRS) and the benefit scans.

The Deputy Chairperson: I have two more questions. Will there be one EQIA for each piece of secondary legislation in order to identify and address any adverse potential effects? Obviously, this Bill is enabling legislation, and it is going to be —

Ms Martina Campbell (Department for Social Development): Each piece of secondary legislation will be assessed and screened. Some will inevitably require an impact assessment; others will not. Each one will be screened.

The Deputy Chairperson: I imagine that it will involve quite a lot of time and effort.

Ms M Campbell: It will. It is a constantly evolving process, as you said.

The Deputy Chairperson: Yes, and as each piece of legislation is rolled out, there will have to be a further assessment of it.

Ms M Campbell: Yes; you are going to be very busy in the coming months.

The Deputy Chairperson: I can imagine.

Ms McCleary: You are going to be seeing us often.

The Deputy Chairperson: I could almost say that we are looking forward to that. *[Laughter.]*

Ms M Campbell: Nearly as much as we are.

The Deputy Chairperson: Part 4 of the briefing highlights a number of limitations in the — and this is a great Civil Service term, "policy simulation model". That is a great piece of Civil Service speak, if you do not mind my saying so. The Family Resources Survey was carried out in 2008-09 before the recession hit; will there be an update on that? We are talking about four years ago.

Mr Pollock: Statistically speaking, you are always dealing with proxies. There will not be marked differences. What the statisticians and analysts have to do is try to proof the integrity of the data as they come forward. Any of the figure work that you have seen in the completed equality impact assessment has been proofed through the Office of National Statistics, and our equivalent, the Northern Ireland Statistics and Research Agency. We hope that the other data sets involved are updated, because you are talking about marrying information from the FRS, from which you are taking assumptions and proxies, with data scans showing the benefits that are actually paid. Data will then come from the likes of HMRC, so all of that has to come together. As far as material differences are concerned, I do not think that the FRS changes will be material, certainly not from the statistical sense. However, we will try to get the most up-to-date information that we can.

The Deputy Chairperson: I presume that, if there are changes, they will be taken on board anyway.

Mr Pollock: We shall try.

Mr Durkan: Thanks for your presentation. It was quite depressing reading, really, and it confirms a lot of what we have been discussing here over the past year. The Bill is enabling legislation, and it is what it enables that I am worried about, as well as what it will enable going forward by way of further amendments, reforms or cuts that might come. The final paragraph of page 10 of your brief states:

"Although subject to Ministerial agreement and Executive approval, the Northern Ireland Welfare Reform Bill will contain provisions which correspond to the provisions contained in the current Westminster Bill."

Will it contain any provisions that do not correspond with those in the Westminster Bill, or will there be provisions in the Westminster Bill that will be absent in the Northern Ireland Welfare Reform Bill?

Mr Pollock: By and large, it will effectively have the same provisions that are provided in the Welfare Reform Act in GB.

Mr Durkan: Will it be a carbon copy?

Mr Pollock: Not entirely.

Mr Durkan: Where will the differences exist?

Mr Pollock: As Anne said in her introduction, you should be given a copy of the Northern Ireland Bill in its draft form very shortly. The Minister hopes to introduce it to the Assembly in the next few weeks. You will see for yourselves any changes or subtle differences. In the organisational sense, DWP is a single entity over there. Some issues, such as the council tax benefit, which are involved in the reforms, are part of a wider localisation agenda. The organisational structures in Northern Ireland regarding the set up of our councils do not mirror those, so there are some subtle differences in that regard. By and large, our Bill will contain the same sort of provisions as the GB Act.

The Deputy Chairperson: On the back of that, will you be in a position to point out to us any changes that there might be when the Bill comes before the Committee?

Mr Pollock: Yes. The explanatory memorandum that goes with the Bill, which the Committee should receive, will have a clause-by-clause explanation of what particular provisions do or are meant to do.

The Deputy Chairperson: Should the timeline for that be within the next number of weeks?

Mr Pollock: There is a protocol to be gone through, as regards the Minister circulating it to his Executive colleagues. Part of that is to get a copy of the draft Bill and the explanatory memorandum to the Committee. We just need to clear a covering letter with the Minister, and you should get it early next week.

The Deputy Chairperson: There are no more questions. Thank you for attending this morning's Committee meeting. As you said, I am sure we will be seeing quite a lot of you.