



Northern Ireland
Assembly

Committee for Social Development

OFFICIAL REPORT (Hansard)

Welfare Reform Bill: Consideration of
Stakeholder Comments, Proposed
Amendments and Departmental Responses

8 November 2012

NORTHERN IRELAND ASSEMBLY

Committee for Social Development

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Members present for all or part of the proceedings:

Mr Alex Maskey (Chairperson)
Mr Mickey Brady (Deputy Chairperson)
Ms Paula Bradley
Ms Pam Brown
Mr Gregory Campbell
Mr Sammy Douglas
Mr Mark Durkan
Mr Fra McCann
Mr David McClarty

Witnesses:

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|-----------------------|-----------------------------------|
| Ms Martina Campbell | Department for Social Development |
| Ms Jane Corderoy | Department for Social Development |
| Mr Conrad McConnell | Department for Social Development |
| Ms Leonora McLaughlin | Department for Social Development |
| Mr Michael Pollock | Department for Social Development |

The Chairperson: With us are Conrad McConnell, Leonora McLaughlin, Angela Clarke, Jane Corderoy, Michael Pollock and Martina Campbell. I thank all of you who are here to support the Committee. We will further examine clauses 106 to 115, which relate to fraud and error. This will also be an opportunity for the officials to talk to us about the social fund. Members will recall that there are some outstanding matters from the discussions over the past number of days.

The following papers are in members' tabled items folder: advice from the Examiner of Statutory Rules; the paper provided by the Committee Clerk on issues relating to clauses; and a paper from the Social Security Agency on the social fund.

Without any further ado, Conrad, I think you are on now.

Mr Conrad McConnell (Department for Social Development): OK, Chair. I was going to work through the points that were brought up by the advice sector and others. Is that how you want me to do it? You have provided a table of comments, and I was going to start to working through them. Would that be OK?

The Chairperson: OK, thank you, Conrad.

Mr McConnell: The first of the clauses that deal with fraud and error, on which points were made, was clause 109. Clause 109 relates to penalties that tend to be applied to people who attempt to commit fraud. It is the administrative penalty part of that. Some of the points that were made were that the introduction of the administrative penalty in response to attempted fraud was disproportionate and draconian in its application. A particular point was made that the minimum penalty will be £350, which is disproportionate, given that people would have received no money and we would not have incurred an actual loss. I think that that is a fair summary of the points that were made.

The key point that I would make on the administrative penalty for attempted fraud is that it is not in place at the moment. Currently, if someone attempts to commit fraud, we have no option but to take that case through the courts. The clause will not take away from taking cases through the courts. Rather, it will provide an alternative when we might consider that it would be disproportionate to take cases through the courts and that the administrative penalty would be a better way of dealing with it. It provides an extra option, rather than taking away from something, and that is the key point.

People will have their own view on whether a minimum penalty of £350 is disproportionate for suspected fraud. Frauds can run to many thousands of pounds, and someone who attempts to commit a fraud offence can get away with many thousands of pounds before anyone cottons on. We sometimes bring people to court who have had overpayments of up to £50,000. That is at the extreme end, but fraud can keep going and end up costing big sums of money. To provide some context, the average level of fraud that we find in the system is around about £4,000. The question for members is whether the £350 minimum penalty is disproportionate to that scale of fraud. Fraud is, of course, intentional and deliberate behaviour and it is criminal. Are there any questions on that?

Mr Brady: To clarify, you said that if someone attempts to commit fraud, at the moment, you have to take them to court. Presumably, there has to be an overt act for you to act on. If there is no overpayment, but someone does something that you consider to be alleged fraud, you can do something in the legal context. Will you give us an example of that?

Mr McConnell: The offence stands when, for example, someone has attempted to defraud the system by providing false information. That could be on the claim form, where someone has claimed their income to be x amount of pounds when it is actually much higher. The offence is attempting to gain access to the benefits system.

Mr Brady: If that is the case, that is fraud. I am not condoning fraud. Is this, really, in mitigation, rather than taking someone to court —

Mr McConnell: Yes.

Mr Brady: So it will, in a sense, provide a civil penalty?

Mr McConnell: It will provide an alternative to court. Where we have found someone who has committed that act, it will allow us to deal with them by alternative means.

Mr Brady: Obviously, there has to be an overt act that would indicate attempted fraud?

Mr McConnell: Absolutely. There has to be attempted criminality. This is not about making mistakes or anything else. It is about people who have attempted to commit a criminal act.

Mr Brady: I just wanted to clarify that.

Mr F McCann: Following on from that, I think that we have all dealt with cases like this. People get the forms in front of them, and I know that when they go in, they are told that they should have read every piece of documentation, including the small print. However, a lot of people are semi-literate or cannot read or write, and they are embarrassed to say so. In cases like that, genuine mistakes can be made. How do you distinguish between genuine mistakes and attempted fraud?

Mr McConnell: We would never take someone through the fraud route if there was no criminality. Furthermore, if someone takes a different view to us as to whether there was criminality, there is a court procedure and course for them to take. People do not have to accept that penalty; they can go to court and say that that they were not guilty of that or did not do it intentionally as the Department suggested. The Public Prosecution Service (PPS) is in the middle of that process, and it makes the

decisions on whether there is sufficient evidence to go to court in the first place. All those safeguards are there if someone believes that they did not act in that criminal way.

Mr F McCann: I have sat through a number of hearings. It has been a while since I have done that, and I think that a couple of them were with you. People come in, and their benefits claims are in a bag. They are taken out and the people are asked whether they signed the forms. They are also asked whether they have read them and they might reply, "No". However, ignorance is not a defence. If they could not read the form or could not understand it, that is not an excuse. That is what I am talking about.

Mr McConnell: Ultimately, if there is any question of guilt, there is recourse through the courts system, with the PPS deciding in between times whether there is physical evidence to prove the offence. The courts, not the Department, make the ultimate decision. Whether it is non-intentional behaviour or a mistake, the courts can decide that.

Mr F McCann: Mickey mentioned people filling in their forms wrongly or giving wrong information. I take it that it would be taken on board if someone was spoken to by officers and said that not only did they not understand the form but they could not read or had difficulties reading?

Mr McConnell: Of course; absolutely. Every case is dealt with on its merits. If someone has a circumstance that would point us to believe that the act was not intentional, we would not, of course, think about fraud. That would be something very different.

Mr F McCann: Thanks.

The Chairperson: OK. We are happy enough with that one.

Mr McConnell: Clause 110 relates to the increase in the administrative penalty from 30% to 50%, and it introduces the minimum figure of £350. Some have commented on the fact that £350 is too high, especially, to go back to the same point, if no actual loss has been incurred by the Department. Some people have said that it may deter people from taking up benefit. In the summary, the comments were that the increase is not justifiable. From our perspective, we want to deter people from committing fraud. This goes back to the point that administrative penalties are in response to people who have committed fraud; they are not about mistakes. They are about non-intentional behaviour and about people who have tried to do that or have actually done it.

You made the point earlier: in the benefits system, fraud in average cases is about £4,000. They are big sums of money, increasing up to £50,000 and beyond. The desire is not to apply a penalty to people: the desire is for people not to commit fraud in the first place and to maintain the integrity of the system.

There is probably not much more to say. It is a view as to whether £350 and an increase to 50% is disproportionate against the drive to deter people from committing fraud in the first place.

The Chairperson: Is that on top of the recovery?

Mr McConnell: It is, yes.

Mr Brady: For information purposes, in the distant mists of time when I worked in the Department, if an error was committed by a member of staff, an overpayment was raised. Obviously, he did not have to pay it back, but it was on his record if he went for promotion or that kind of thing. Obviously, if somebody had a continuing record of errors, it would be held against them. The reason why I am raising this is that the figures that we get from the Department are that error — customer and departmental — is now more than fraud. It is kind of a unilateral thing. Is any provision made for staff error? This is not a criticism of staff, because they are under pressure and a lot of the errors may be because of that. As far as I know, that has been removed.

Mr McConnell: As far as I am aware, there is no penalty for staff who make mistakes.

Mr Brady: I am not saying that there should be, but it seems very unilateral to say that if a mistake is genuinely made by a member of staff or by a member of the public, the member of the public still has to pay money back if there is an overpayment. It is very unequal.

Mr McConnell: I will make two points. The penalty referred to in this clause is in respect of fraud; it is not in respect of mistakes by any party, whether customers or staff. The distinction for this is that it is about intentional behaviour. There is an element of staff error in the system as well. Last year, staff error for 2011 was at its lowest point ever. It was down to 0.6%, which is an accuracy of 99.4% in such a complex system. I make the general point that staff accuracy last year hit its highest point ever and is much less than the 1% of spend overall. Obviously, from our perspective, it is good news that error is down to its lowest level. However, the distinction still stands: error is not fraud.

Mr Brady: I am not suggesting that it is. The good news is that fraud is going down as well.

Mr McConnell: Fraud is down to 0.4%.

Mr Brady: Happy days all round.

Mr McConnell: We had one comment about clause 111 regarding reduction from 28 days to 14 days for people to decide whether they want to choose the administrative penalty or not. One comment was that it will take away people's ability to take advice before they make their decision. The issue here is that we are trying to get the balance right between not having a system that runs on too long. After a length of time, people may decide not to take an administrative penalty. At the minute, 28 days is built into the system, and that has not advanced anything to any point. This is about trying to streamline the process in the best way that we can but still give people sufficient time to get advice before they make their decision, and 14 days is the suggestion for that, if that is the right balance. Members may take a different view as to whether it needs to be 14 days or 28 days. We believe that 14 days gives you sufficient time to seek the necessary advice before you decide.

The Chairperson: Is any discretionary provision available if someone had good cause — I cannot think of a specific example — for not being able to do that within 14 days?

Mr McConnell: I cannot say at this stage whether there is or is not. From the administrative perspective, we would want to give people extra time if there were good cause to do so. I am not sure whether the Bill allows that to happen. I will have to check.

Mr F McCann: If someone comes to me after you tell them that they have 14 days to pay the penalty, the first thing that I would advise them to do would be to see a solicitor to show that they have had the best possible legal advice before making a decision on whether to take the penalty. Sometimes, that cannot be done within 14 days.

Mr McConnell: That might be an issue. In practice, very few people decide not to take the administrative penalty as an alternative to prosecution.

Mr F McCann: If someone comes to me, I would advise them to see a solicitor and get the best possible advice.

Mr McConnell: I will need to find out whether the Bill allows that discretion.

Clause 112 deals with civil penalties, and quite a lot of comment was received on it. This, of course, relates to the application of a £50 penalty to people who have not committed fraud but have failed to take reasonable care or have been negligent in respect of their claim and have not told us pertinent information that is necessary for the correct payment of their benefit.

Comments were made by individuals that the penalty would be punitive, may put people off claiming benefit in the first place, and may push up the appeal process. The suggestion was made for a civil penalty to apply the second time around but not on the first occasion that someone makes some sort of error that we deem to be negligent. The provision for civil penalties is not about genuine mistakes but about people who really do fail to take reasonable care and are negligent. It is not, perhaps, at the point of fraud, but, at the other end of the scale, it is not for a genuine mistake.

Obviously, we will have to issue guidance to our staff on the application of this provision, and it will be up to the decision-makers in each case to decide whether, in their view, the actions of an individual in not reporting have or have not been negligent. There will be a whole range of circumstances in those regulations in which that may or may not be deemed to be the case.

We have not got to that kind of level of detail yet, but I can use an example of where people say that they forgot that they had to tell us that they were working or where they forgot to say that their income had gone up. We would deem that to be without reasonable excuse or to be negligent. On the other hand, in cases where someone has had some sort of trauma, a bereavement or some reason for not reporting something because of some other circumstance in the background, we would deem that to be a reasonable explanation for why they did not come forward at the time. It will be a matter of guidance and about us trying to be reasonable in our application of this provision. The point is that we want to deter people from not telling us about things that they need to tell us about, otherwise we will be into overpayments, potential fraud and all the rest of it if these things continue.

Mr F McCann: It just seems a bit crazy that all these types of fines are being introduced for people who are being paid at subsistence level. Whether it is a family unit or an individual involved, I am trying to work out who will feed them if they have to pay all that money back? It also goes back to the question of literacy, when genuine mistakes are made. I know that you say that all these things will be written in, but there does not seem to be anything in the Bill to convince me that, if someone comes in with what they believe is a genuine excuse, they will not be subject to a penalty. I have come across situations in which I thought that it was perfectly unreasonable for a sanction to be applied and the person on the other end of the phone thought that it was perfectly reasonable. After the argument, it was found by another person that it was unreasonable. Measures need to be built in to ensure that people are not being penalised because of their level of education or their ability to understand what they are dealing with.

Mr McConnell: Certainly, we would always say, most definitely, that this is not about targeting people who make genuine mistakes. It was never the intention to do that; it would not be the intention to do so. This is about negligence, not about genuine mistakes. To my mind, the detail about those circumstances, as you suggested, in which some people may not be literate would point to a genuine mistake. It would not point to a civil penalty, which is about negligence and about not having a reasonable excuse for failing to report something. The detail on how it will be applied will come forward in regulations and guidance. The appeal process will also be there, and people will be entitled to appeal against a civil penalty decision as well. If, as you said, the view is taken that this was reasonable but we said that we thought that it was not, the appeal process can provide a second opinion on the matter.

The Chairperson: OK. Fair enough, Conrad, thank you for that. You may have covered this matter earlier. I was flicking through some of the notes. Some housing organisations raised a couple of key points around third-party verification, etc.

Mr McConnell: I received that question this morning. I have asked for information and I will get back to you. I am sorry; I do not have the answer just yet.

The Chairperson: OK, Conrad. Thank you for that.

Mr McConnell: Clause 113 deals with the increase in the loss of benefit period — or "one strike", as it is sometimes known — from four weeks to 13 weeks, and introduces the first offence three-year benefit sanction in serious fraud cases. Again, the comments made are twofold: first, that it is disproportionate, and secondly, that it could lead to financial hardship for some people. I think that those comments were made particularly in relation to the three-year figure for a first offence.

The point that we would make on this is that we have observed a distinction, up to now, between error and fraud. Fraud is intentional, and the penalties apply to that behaviour. This is about taking it to another level — not only fraud, but serious fraud.

The Bill sets out the definition of how "seriousness" might be interpreted in the application of this issue: for example, someone who commits an offence which results in 12 months' imprisonment by the courts; or someone who commits some sort of ID fraud, or where the money involved exceeds £50,000 or where the fraud has gone on for a long period, say two years or more. So, the Bill sets out what "seriousness" means. It is the distinction that we would make; a response that we would make to that sort of behaviour, which amounts to criminality. The end decision is whether three years' loss or withdrawal of benefit is the right response to that sort of behaviour. We would say that we want to deter people from all frauds and, most particularly, from serious frauds, where money can get into extremes.

The issue of hardship is dealt with in all of the loss-of-benefit regulations, whereby, it does not apply to some benefits such as state pension. As regards some of the means-tested, low-income-type benefits, loss of benefits applies only as a 40% reduction, or 20% reduction in some other cases. It is not a full withdrawal. Full withdrawal only applies to the rebating benefits such as jobseeker's allowance. However, in saying that, there are also provisions in place whereby one can seek financial hardship assistance if it is needed.

Those are the points that I will make in relation to this matter. The key point is that this is about serious fraud in the benefit system, which takes that kind of message one step further.

The Chairperson: OK.

Mr McConnell: I will move on to clause 114, which deals with the increase in the current "two strikes", or loss of benefit from 13 weeks to 26 weeks. Some of the points made before relate to loss of benefit generally. Also, it was thought that people should have access to independent advice before they could be subject to that sort of penalty.

The point I will make, whether it be one strike, two strikes or any penalty in relation to fraud, is that the fraud process is completely transparent, in which we may allege such behaviour and the courts are there to make decisions where there is any doubt about guilt. So, there is advice available to people to discuss all that. The point was made earlier that, if someone does not choose to go to court but takes the administrative penalty, time should be built in for them to seek advice on whether he should do that. We always say that loss of benefit should follow a fraud offence. The fraud process carries the safeguard that there is an opportunity to seek advice before you admit to fraud or go through the court process. So, advice is built into that. It is there already.

Mr F McCann: I have been accused, over the past couple of months, of picking on bank robbers as examples in some of these things. Here is another scenario. A guy gets done for £600 million worth of fraud and gets three years in jail.

The Chairperson: It was, Conrad, not you. *[Laughter.]*

Mr F McCann: He gets out of jail, and if he goes to the dole office, he would be able to get the dole.

Mr McConnell: Yes. I think this goes back to the key point that I made before, about some of these other penalties. The whole theme of all this, in some respects, is to put people off committing fraud at all. The whole aim is to get fraud out of our system and to keep the system secure and safe, and to try to deter people from such behaviour. That is ultimately what I would say.

Mr Brady: I suppose that this is like saying that the Welfare Reform Bill is a good piece of legislation if it can get fraud out of the system. Part of the difficulty that we have with the double whammy, or "three strikes and you are out" thing, is that it impacts on the family. If someone makes a conscious decision to continually commit fraud or alleged fraud, that is his decision. However, the sanctions affect the people with him, who may have had absolutely no input into that. Therein lies the difficulty. The Law Centre suggests that it be left to the justice system, which seems appropriate. However, in this case, people who have committed fraud and been charged are getting a double whammy, which is grossly unfair in that sense, because it impacts on their dependants, etc.

As Fra says, if someone is accused of a £600 million fraud, is sentenced, and then gets out, he has been dealt with by the justice system. There is fraud, and there is fraud. I do not think that you can differentiate between someone committing financial fraud, and someone committing social security fraud. The justice system deals with them, presumably, in an equitable way. However, this is making a distinction. That is where it is unfair.

It is reasonable enough argument.

Mr McConnell: The only point that I will make to that is that the courts will be made aware that if they find a person guilty, that person would then be subject to this provision. The court can take that into account when deciding what penalty to impose for the offence.

The Chairperson: Fair enough. Thank you.

Mr McConnell: Finally, on the fraud elements, there is removal of cautions. The clause takes away cautions as a means of dealing with benefit fraud and leaves only two options: taking the administrative penalty, which is the internal way of dealing with fraud, or the court process. The intention behind this is to bring home the seriousness of fraud. There will be clear knowledge that anyone intent on committing fraud and found to have committed it faces one of two paths. There will be some sort of internal administrative penalty, or the court process. There will be an outcome to that. You will face a penalty of some sort, having committed the offence. That is why the proposal is to take away cautions as a means of dealing with fraud.

The Chairperson: OK. The Department is obviously maintaining that argument. All right, members?

You are glaring at me, Fra.

Mr F McCann: I glare at you all the time, Alex.

The Chairperson: OK. I thank Conrad and his colleagues for being here morning. I appreciate that this morning's meeting has gone on a bit longer. Thank you for your patience, as well as your attendance and your responses on those particular clauses. Thank you very much.

Mr McConnell: Thank you.

The Chairperson: OK, members. Moving on then —

Mr Michael Pollock (Department for Social Development): I am sorry, Chair, the Department has some outstanding matters such as social problems and discretionary elements.

The Chairperson: Oh, I see. Sorry, my apologies.

Mr Pollock: Jane wants to say a couple of wee words on that.

The Chairperson: Forgive me; I had an element of gate fever there.

Ms Jane Corderoy (Department for Social Development): The Committee has looked at clauses 70 to 73, which deal with the abolition of the social fund. A few weeks ago, members heard from my colleague Angela Clarke on the proposals for the new scheme because it sits outside social security. I think that she would have told you today that, as you know, a Government amendment to introduce a new discretionary scheme is to be proposed at Consideration Stage. That will provide for a broad power to enable payment to be made and provide support under the new scheme. The Department will establish that and it will be delivered by the Social Security Agency.

In relation to our stuff, the Sure Start maternity grants, cold weather payments, funeral payments and the winter fuel payments will not be included in that. They will be retained and are not being done away with. The majority of the stakeholder comments that you have heard concern the new scheme, and Leonora is with us to talk you through them.

Ms Leonora McLaughlin (Department for Social Development): I guess that what we have here are stakeholders providing evidence in a vacuum. They see in the Bill that there is the potential to repeal crisis loans and community care grants, but there is no content relating to the new scheme. If you are happy, I will pick up on common themes in the evidence, and you can come back to me if you think that we have missed anything.

In relation to budget allocation for the new scheme and the issue of ring-fencing, as you may recall from our briefing a few weeks ago, we have a broad indication of next year's budget for the new scheme. We have also had agreement from the Executive to ring-fence that for an interim period, which we interpret as extending to the end of this spending review period. Some organisations were seeking assurance that that ring-fencing would extend through to the implementation of universal credit, but we are simply not able to give that assurance now. As I said, the Executive have given the Department interim approval to establish a scheme and to ring-fence the money that is to be transferred across from the Treasury for that period.

Nevertheless, as I said on 11 October, we are in a much better financial position with the budget for the new scheme than we felt we might have been. We know that the Treasury will not impose a 10%

reduction on transferred funding; that we are not going to be liable to a potential 3.5% annual subsidy on outstanding loan balances; and that, in addition to the transferred funding, we have secured recoveries from legacy crisis loans to fund the new scheme. We have additional customer groups to whom we are opening up access to the replacement scheme. However, at the same time, we are looking at broadly £29 million now, with the caveat that the final figures are yet to be confirmed.

I apologise; I obviously have a project manager for the new scheme, who is responsible for its development. I can touch on some of the policy issues here, but it is not my domain. I am happy to come back to the Committee if such assurances are necessary. The role of the social protection fund is —

The Chairperson: Sorry, Leonora; Fra wants to come in.

Mr F McCann: I know from one of the presentations to the Committee, and the Minister touched on this, that the scope of people who can apply for what were crisis loans is to be widened.

Ms L McLaughlin: Yes.

Mr F McCann: Is there any estimation of how much that will cost? With a £29 million budget, you may find yourself quickly under pressure, even in the present system. Has the yearly cost of adding claimants been estimated? I know that that may be difficult to do —

Ms L McLaughlin: It is difficult. The social fund is a well-established scheme, so it is relatively easy to predict annual expenditure and demand. You are right to say that we are widening the scheme. The intention is that eligibility for the new scheme will be based on income rather than qualifying benefit. So, working customers on low incomes will be entitled to apply, as will customers in contributing benefits, who are excluded at the minute. Our difficulty is we know broadly the sort of catchment we would have for those customer groups but we do not know what proportion of those customers will apply.

On the other side, there are restrictions in the new scheme over and above what we do for the social fund at the minute, which would mean that, potentially, the number of applications from existing social fund customers will reduce. For example, we are proposing that we lower the maximum social fund debt threshold from £1,500 to £1,000 under the new scheme. That is in response to feedback that customers are having difficulty managing their financial commitments and the levels of debt they already have. We know that that will have a downward pressure. We estimate that 21% of customers have social fund debt above £1,000.

Mr Brady: People tend to use the social fund as a top-up system. When you are reducing the debt, will that involve reducing the weekly amount deducted? In my experience, the trend has been that the more you owe, the more the Department will try to get back in a shorter time. However, if your debt is reduced from, say, £1,500 to £1,000, it would seem reasonable that less would be taken back because, again, we are back to the whole subsistence level issue.

Ms L McLaughlin: As I say, there was a strong strand of feedback around debt and issues with existing debt coming through the phase 1 research that we did at the very early stage of the project. I suppose we are looking at a number of measures. The reduction of the maximum debt would also help customers to repay, so, yes, we are developing proposals —

Mr Brady: A reduction in the maximum amount, possibly?

Ms L McLaughlin: One thing we are looking at is the duration of the debt. We will try to recover in a shorter period, so instead of spinning it out to two years, we will look at 52 weeks, for example, where that is possible. The amount that the customer will be able to borrow will be proportionate to that and based on their ability to recover.

Mr Brady: If you are going to have a period of 52 weeks in which the debt has to be repaid rather than two years, people need to have that explained to them so they understand that they may get more deducted because they have to pay it back in a shorter time. Part of the difficulty with the social fund for a lot of people is getting a loan and not realising the implications. With pay day loans, the money is there, great — but what happens over weeks or months?

Ms L McLaughlin: That is it. There are issues with the existing scheme that we will hope to learn from and develop proposals to remedy. As I said, there are a number of things —

Mr Brady: I do not want to break your train of thought but another important point is that social fund staff are long-term and experienced. It would seem to be reasonable that they will be retained in any new scheme. Customers are familiar with them and they know how the system works, albeit it is a new system. However, that is important because that experience is invaluable. Of the people I deal with, two of them, at least, in Armagh have been there since 1988, since the social fund was established.

Ms L McLaughlin: I confirm, not to interrupt, and I think Northern Ireland is in a much better position than some of the devolved administrations in that we have delivery capacity and staff on the ground. The intention is that we will re-use those social fund staff on the ground at the minute to deliver the new scheme and harness all that expertise.

Mr Brady: Some of them are near retirement age, it has to be said.

Ms L McLaughlin: We will start to develop our succession plans.

The Chairperson: We wish them well.

Ms L McLaughlin: I have scant comment on the social protection fund except to indicate that the Department is looking at a range of things: how the Department contributes overall to, for example, the financial capability strategy, and the effort will be to try to join up proposals. We are developing the scheme closely with policy colleagues and now have the overarching policy that this scheme sits within.

Another theme emerging from the evidence of a couple of organisations is the provision for a second-tier review facility to allow customers who have exhausted the review process within the Department to go to an independent organisation in the way that they would go to the Office of the Social Fund Commissioner now. The Department has made the commitment that that facility will be available for the new scheme. We are looking at options for where it might sit, which is a bit more difficult than making the commitment, but there will be second-tier review. The provision for that is in the draft regulations.

Mr Brady: There is going to be specialist advice. Under the old single payments, going back many years, there was a specialist circumstances officer, who was the person designated in the office to deal with the cases of people who found it very difficult to manage. That was not done in a patronising way; it was done in a practical way. Most people at the time accepted that. Is that the intention of the specialist advice? In the past, that person would have been a visiting officer who was designated to deal with particular types of cases and would have developed a rapport and relationship with the claimant.

One of the measures in the pilot is the provision of goods. I have difficulty with that, not so much with the practical nature of it, but because, going back many years, it was exploited, and not by the customer in my opinion or experience, but by some of the retailers. We have all heard tales, and I have anecdotal evidence of people getting a £500 giro for goods, even though they would have rather had the money, going into a shop and somebody giving them £300 and taking the giro. That is the sort of thing that we need to be aware of. People will say, "Well, that didn't happen", but it did. It opens the avenue for people to exploit the vulnerable, and it is something that needs to be addressed.

Ms L McLaughlin: There are two points to pick up on there.

First, the intention is that the specialist advice will be delivered internally by the agency within the scope of the discretionary support scheme as it stands or the decision-maker's role. We will be asking decision-makers to be vigilant for opportunities to offer assistance to customers, whether that is on debt and money management or an underlying issue. Where there are early warning signs, some of the evidence suggests that we can pick up on them and offer assistance. Obviously, that will not be mandated in any shape or form: we will be offering the customer the opportunity. The intention is that decision-makers will be well acquainted with both statutory and voluntary and community advice services that are operational in their areas. We will be seeking to foster close links with those sorts of

services and to offer those organisations an opportunity to refer customers to us. So, it is kind of a two-way arrangement.

In relation to the goods pilot, we sought to provide assurance to the Committee previously that it will be a very low-key, small-scale pilot. That is simply because the stakeholders in the research indicated that they would be receptive to that kind of service, not as an alternative to cash payments but along with cash payments. We will obviously be very careful about how we establish that scheme.

There are two reasons for doing it. We got evidence from customers, who were brutally honest in their focus groups and said that they apply for things that they do not need because they know that they are more likely to get an award. That is not to say that there is not an underlying issue of some other kind that causes them to do that. We also know from organisations that deliver this kind of service that, because of the bulk quantities involved, they benefit from a discount from a national supplier, for example. That is the sort of service that we are looking to put in place, not something with individual local retailers.

Mr Brady: You have a list of priorities in the social fund. Clothing was mentioned in the Assembly, which I found astonishing. People were saying that without the social fund, people would be deprived of clothes for their children. Clothes is the lowest priority and has been since 1988, so I did not see that as a huge issue. However, there are priority items, such as cookers, beds, mattresses, bed clothes and that type of thing. Are there any plans to revise the priorities? It seems to me that it is something that needs to be looked at again, particularly in relation to clothing. People, through illness or having to diet, may lose weight. There are people on special diets who require refrigerated foods and possibly medicines.

Ms L McLaughlin: The aim is that customer circumstances will be taken into account irrespective of —

Mr Brady: I am asking you to rewrite the whole thing. It is not the intention.

Ms L McLaughlin: Oh no, we are not far away. Our issue will be that this is a cash-limited service, and there will always be the necessity to prioritise in terms of regulations and guidance but even within months where you have more demand than you had anticipated and a pressure on your budget. However, I will be happy to take those comments on board.

Mr Durkan: You spoke earlier about how widening the criteria for applications for the social fund would increase pressure. I imagine that it will also be increased by more people becoming eligible through job losses, etc. My question is more a technical one, and it is around eligibility or accessibility. In a household, can a claim or application be made by the nominated person for universal credit (UC)?

Ms L McLaughlin: We are mindful of the direction of travel for universal credit, but, at the minute, the proposal for discretionary support is that the application will be an applicant, and we will take into consideration income for the applicant and their spouse or partner. So, we are not looking at a household as such.

Mr Durkan: The applicant might not necessarily be the nominated person to receive universal credit.

Ms L McLaughlin: I may need to come back to you on that. We are delivering the new scheme in April, so I would need to talk to some universal credit colleagues to see what the implications are, because we will be in for a while before universal credit hits.

The Chairperson: That is helpful, Leonora, thank you.

Ms L McLaughlin: We have covered the absence of legislation to cover the discretionary support. Regulations are being developed and will very shortly go for solicitors' scrutiny. The intention is to come back to the Committee in January with those regulations.

There were a couple of specific queries. One was in relation to housing and rent in advance, and the other was in relation to customers potentially in a crisis because of domestic violence. Just to confirm, while we do not have provision for those groups specifically, they would fit within the eligibility criteria, and our aim will be to provide assistance for those customer groups in the same way as we do through the community care grants system at the minute.

There is a range of different eligibility criteria. In order to safeguard the fund and make sure that we are targeting resources at the people who really need it, one of the criteria is the availability of another source of meeting need. For example, colleagues have pointed out that there is provision in the existing budgeting loan provision for rent in advance. So, as long as customers have no other way of meeting their needs, we will cover rent.

The Chairperson: OK. Thank you.

Ms L McLaughlin: I will move on to the consideration of debt. There was a suggestion from one of the stakeholders that support should be available to families without any consideration of debt that they may have accrued. That would run contrary to the feedback that we are getting from the research, where the indication is that we strongly need to take account of levels of existing debt. Under the scheme, we will take account of debt that customers have for the existing social fund system, for example, because that is a demand. They are making a repayment for that, and that needs to be taken into account.

Finally, in respect of access channels, the feedback from the research is that it is very important that this service would continue to be delivered on a face-to-face basis, specifically for loans and needs that have to be met urgently for living expenses or where there is a crisis that needs to be reacted to very quickly. That is the case. We will continue to deliver from the agency's network of local offices. There will be a telephone service, but that is a secondary access channel. We intend that to be used by customers who have mobility issues and find it difficult to attend their local office or for working customers or new customer groups who do not habitually use the agency's offices.

Mr Brady: In terms of the phone aspect, in Newry, the social fund moved to Armagh some years ago, and people who apply for crisis loans have to get in touch with Armagh. They can go into Newry, but then they are put in touch with Armagh. There is a difficulty in accessing the social fund in Armagh. It may well be the same in other offices. In my recent experience, a lot of people on benefit have pay-as-you-go mobile phones. I know of one case, a few weeks ago, when a woman trying to contact the local office had to top up her phone with £20 and it cost her £17. That is an area that needs to be addressed, whether that is by having more landlines, a local office getting in touch with the social fund or by having some provision for people to use their mobile phones. Access is an ongoing problem.

Ms L McLaughlin: I am not familiar with specific issues in Armagh, and we are straying into quite low operational arrangements, which are still to be finalised. There are two types of social fund call. The first is from someone who is simply making an enquiry about an application, in which case we expect that customer to ring the office. Where a customer needs to make a claim, there will be a system. We are conscious that, even on a landline, that could be a lengthy call, and particularly on a mobile, so the arrangement will be that a member of staff will phone those customers back and the cost will then be for the Department.

The Chairperson: OK; thank you for that.

Ms L McLaughlin: That is all that I wanted to cover as a result of the evidence. Is there anything else that members would like to pick up on?

Mr Brady: It is good that the social fund is being retained in the Department, because you have the infrastructure there. It is an opportunity to be innovative and actually improve the system. During the consultation period, I spoke to the company that was doing the consultation, and the feeling from stakeholders who were interviewed was that it was an opportunity to be innovative and do something while retaining the fabric to do something even better and more beneficial, because, ultimately, it has to be more beneficial to the customer.

Ms L McLaughlin: The fact that it is a non-parity project means that there is a recognition in the Department that it is an opportunity for us to meet the needs of our own customers.

Mr Brady: Plus the fact that the 10% is not going.

Ms L McLaughlin: Our timescales for the implementation of this are very tight. When we briefed you last time, we were quite open that what we deliver in April is the start of a process. We will work with stakeholders and the Committee, but it is likely that that service will need further refinement.

The Chairperson: OK, Leonora, thank you for that.

Mr Pollock: Moving on, Chair, the Committee had some questions that it wanted clarification on. I appreciate that we have not been away for terribly long, so we have not got answers to all those questions yet, but we have in a few areas. Jane, do you want to kick off, because you have other commitments?

Ms Corderoy: No, I have missed that anyway. I do not any more. I am too late. The Minister will not forgive me, but there you go.

Mr Pollock: We will just go by clause then.

Ms Martina Campbell (Department for Social Development): As Michael has said, we understood that we were picking up on questions outstanding from Tuesday. We have not got a response for you yet for most of them. However, I can answer some of them.

As regards the payments, claims will automatically be paid monthly to the nominated person unless they satisfy exceptional circumstances, which are yet to be defined. The Minister stated on 22 October that he intends to consult on what "exceptional circumstances" means. We understand that the agency is organising an event in the Long Gallery for 15 November, which this Committee will be invited to, to kick off that consultation.

As regards direct payments to landlords, the position as we understand it is that all claimants will automatically get their housing costs paid to their landlord unless they opt out. We understand that the delay in the introduction of universal credit is to help to ensure that the IT systems' functionality is in place to deliver that. Obviously, tax credit customers coming into universal credit are used to managing their own money, and there may be circumstances where they wish to continue to do that. However, we are seeking to clarify the default position with the agency on the IT, and we hope to provide a definite answer before Tuesday.

Only the working-age member of a mixed-age couple will be required to sign the claimant commitment. The person over state pension age will not. If the member over state pension age is entitled to contributory pension in their own right, they will continue to receive that, and that pension will be taken into account as unearned income under universal credit. Existing mixed-age couples will move to universal credit and be given transitional protection as long as their circumstances remain the same.

We talked about the fact that, under state pension credit, there is no limit or the limit is higher for capital costs. I have some figures from the Department for Work and Pensions (DWP). It is in its universal credit briefing note number three, which is on its website. I will send it to the Committee, but the key fact from that briefing note, which refers to the GB position, is that one in three pensioner households have capital in excess of £16,000 as compared to working-age customers, 13% of whom have savings in excess of that. The average capital held by a working-age customer is £300. By setting the cut-off at £16,000, the Government believe that they are striking the right balance between protecting people with modest savings and placing responsibility for their own support on those with substantial capital.

The capital rules have increased in income support from £8,000 in 2006 to £16,000, and the proposed threshold is in line with those increases. Mixed-age couples in receipt of tax credits at the minute with capital over £16,000 — as you know, there is no limit on the amount of capital a tax credit customer can hold — will transfer on to universal credit and get transitional protection for as long as their circumstances remain the same. According to DWP, 52% of claimants — I am not sure from the briefing note whether it means all age claimants — in receipt of tax credits with savings over £16,000 earn over £40,000 per annum and a further 30% earn over £50,000 per annum.

As regards changing the capital limits, DWP estimates that the difference between setting a cut-off at £25,000 compared with £16,000 would be £60 million per annum. I said that I thought that it was around £50 million. Removing the capital rule altogether would cost £500 million per annum.

As regards sanctions and hardships for mixed-age couples, sanctions will apply only to the working-age member. If the working-age member is sanctioned, there will clearly be an impact on the household budget, and they will be able to apply for a hardship payment. The aim is that that would

be recovered in 12 equal installments. I will give the Committee an example. I have used an example of a single jobseeker, and the sanction amount that applies to a couple is slightly lower, but it will give you the gist of it. If a single jobseeker gets sanctioned, their award is reduced by £65 a week. If they applied for a weekly hardship payment, they would get 60% of the amount of their sanction, which is £39. If the sanction was for three weeks, the total amount would be £117. Dividing that by 12 gives you £9.75 a month, which is what they would pay it back as. That works out at roughly £2.25 a week. That is an example of how the hardship payment and the recovery would work.

I confirm that underoccupancy for mixed-age couples does not apply where one or both members are over state pension age. If one member of the couple reaches state pension age, they are entitled to claim contributory pension in their own right.

I said that I thought that DWP was considering temporary absence. I need to write to you about that; I do not have that information to hand.

If I just cover my bits, Michael will do his.

The Chairperson: We will hold it there, Martina, because members have a couple of questions.

Mr Brady: On the capital cut-off of £16,000, essentially, what it means now is that if someone is 1p over, that is it gone. I presume that, with DWP, we are talking about Britain.

Ms M Campbell: Yes. I think so.

Mr Brady: The savings of people of working age is approximately £300. We live in a much lower-wage economy. This is part of the whole difficulty; there are different circumstances. The number of people who you and I know who earn £30,000, £40,000 or £50,000 — apart from senior civil servants, of course —

Ms M Campbell: Not us, anyway.

Mr Brady: I was not suggesting that it was. On a serious point, those figures are predicated on the south-east of England.

Ms M Campbell: Yes.

Mr Brady: It really does not bear any resemblance to here.

Ms M Campbell: I have asked our statisticians to try to get us some figures. I think that those figures were taken from the family resources survey.

Mr Brady: Figures for here would be helpful.

Ms M Campbell: We probably have some figures. However, the problem with getting the Northern Ireland figures on that is that the sample is so low. Our statisticians will not release figures when the confidence level is below a certain amount.

Mr Brady: Maybe that highlights the issue.

I have another point. On the one hand, you have a Government telling people to save and to be frugal and all of that. However, this will be a disincentive for older people to save; £16,000 really is not that much for people who are going to have to top up their income by dipping into it or whatever. It is going to be a disincentive, because people are going to limit what they save. It does not make sense.

Ms M Campbell: I appreciate the point that there are two sets of rules.

Mr Brady: It is contradictory to the policy principle.

Ms M Campbell: However, for the person who is over the £16,000 but not by much, when the regulations come to you, you will see that the definition of "deprivation of capital" is being widened to the claimant's advantage.

Mr Brady: Spend and enjoy.

Mr Pollock: It is to allow you to settle debts and things like that.

Ms M Campbell: It will allow you to pay off debt, which it does not do at the moment.

Mr Brady: That is beneficial. The other day, I made a point about passported benefits. Some people on pension credit, because there was no outer limit, may have qualified even though the tariff was for a small amount, which then brought them into line with rates and all of that.

Ms M Campbell: I am checking that point about underlying entitlement for you.

Mr Pollock: I want to make a point about the £40,000 to £50,000 thing. The upside for Northern Ireland is that, although there might not be many people earning that, the benefit rates for universal credit are predicated on the national median range, which is beneficial because those rates are higher than the Northern Ireland median.

Mr Brady: Well, if we accept that benefit rates are high, I suppose that that is a contradiction in terms.

The Chairperson: We are moving into debate. We are not at that point yet.

Ms M Campbell: On Tuesday, there was a question about 16- and 17-year olds. Under the current system, there is provision for 16- and 17-year olds to get a discretionary hardship payment under jobseeker's allowance. This applied to young people who are 16 or 17 and are registered on a training scheme but have not yet got a place. It also applied to children leaving care. Even though, under the leaving care order, DHSS is supposed to look after those children, there were exceptions where they could get a discretionary hardship payment. As I understand it, under universal credit, those two categories of people are out and are not entitled to anything, and neither will their parents be entitled to claim for them. I asked DWP for clarification, but I was not satisfied with its reply. I sent a further clarification request, and I am waiting for a response, which I hope to receive today. That is the position on that.

The Chairperson: Have you finished on that one?

Ms M Campbell: Yes.

The Chairperson: I neglected to bring Mark in on a previous point.

Mr Durkan: I am sorry, Martina. I want to take you back to under-occupancies. You said that you were reconfirming that if one member of a mixed-age couple was of pensionable age, they would be exempt.

Ms M Campbell: I said that before. I just meant that I was confirming what I had said, which was that if one member of a mixed-age couple is over pension age, they are exempt from the underoccupancy.

Mr Durkan: I had not heard that before. That is good. Thank you.

Ms M Campbell: OK. We have talked about capital costs already. I was to clarify about the entitlement waiting days. I will come back in writing on that, because we are still arguing that point out.

Mr Brady: That was about the small amount under seven days.

Ms M Campbell: Yes. It is more to do with the fact that universal credit relies on a monthly assessment period. I think that the intent of that clause is that they would not consider an assessment period for less than seven days. However, I want to get that absolutely crystal clear, and I will come back in writing on that.

Mr Brady: That tied in with the passported benefits as well.

Ms M Campbell: Yes. I am also checking the underlying entitlement, because that is a very good point; there is nearly a double whammy there.

There was something about the severe disability premium for children.

Mr Brady: It was being reduced.

Ms M Campbell: Again, we will get back to you in writing on all these points. The severe disability premium is being removed for adults. Obviously, anyone currently in receipt of that will get transitional protection as long as their circumstances last. It is intended that the severe disability premium be abolished as part of the simplification process. There have been serious problems with the administration of that premium over the years, and there are significant questions as to its rationale and whether it is targeted at the right group of people. Aligning the rates and making sure that the proper payments go to the right people are part of the issue. At present, the severe disability premium overlaps with social care provision.

That is more or less what I want to say on the issue. I will provide you with details on the difference between the premium for children under tax credits and under universal credit.

Mr Brady: You said that there are questions on whether the severe disability premium is being targeted at the right people. I would not agree with that for a moment, because there is a very clear avenue to claim. People fill in an IS10. If someone is found not to be living alone, that is fraud. It is incumbent on —

Ms M Campbell: It is a different mechanism.

Mr Brady: Nor do I accept that it is overlapping with social care. I am going by my own experience. Levels of social care either are or are not provided. The whole idea and policy intention of the severe disability premium was to enhance the quality of life for people with specific disabilities. People have to be getting middle or high care for the disability. That is being abolished with no reasonable rationale.

Ms M Campbell: The coalition Government believe that there is a clear rationale, and, obviously, the increased earnings disregard for disabled people is supposed to offset that. I take your point.

Mr Brady: I do not think that it will make a huge deal of difference to the coalition Government, whatever you say, but I think that the point is worth making. I know that you had no input into this, but we are dealing with facts rather than opinions, and, unfortunately, you said something with which I totally disagree, and I wanted to put that on the record.

Ms M Campbell: I take your point.

I also said that, as far as I was aware, a DWP review was ongoing, and I undertook to provide you with some clarification.

There are eight or nine bullet points on underoccupancy in the Committee Clerk's paper on issues for consideration. We are trying to cost those for you and give you numbers. They concerned such issues as deferment, general implementation and people being exempted.

We will try to get you the possible numbers and costs that will be impacted by the support for mortgage interest (SMI) and the zero earnings rule. However, I can confirm that, once people take up any job, their support for mortgage interest will cease. Under the current rules, there is extended entitlement to housing benefit or SMI for four weeks after people take up a job, but that will not be the position in universal credit. Again, we will try to get you some costs and numbers. The rationale will always be that there are higher earning disregards in universal credit, and evidence proves that people will do their utmost to protect their home, and those who can pay should pay.

Mr Brady: Of course people will do their utmost to protect their home. They will make sure that they do not take a part-time job that will stop their support for mortgage interest. That is common sense. You wonder where the policy intent went there.

Ms M Campbell: Yes. We talked a little about supported housing. I confirmed for you that housing costs for people in supported housing would be outside universal credit. DWP Ministers announced that on 17 September. We are still trying to work through the impact of that in Northern Ireland. As far as I know, supported housing costs are paid by the Department of Health, Social Services and Public Safety and are demand-led. We think that underoccupancy and shared room rates would not apply to those people, but we will confirm that for you. We will also try to get some costs and numbers. Supported housing represents 5% of the housing benefit caseload, which is roughly 8,000 cases.

We have already talked about —

Mr Brady: Sorry, Martina; I do not mean to interrupt you all of the time.

Ms M Campbell: No, I am sorry. I keep forgetting to look up.

Mr Brady: I want to ask you about supported housing. Paula and I also sit on the Health Committee. One of the planks of Transforming Your Care is to maintain people in the community. You mentioned 8,000 cases. Presumably, the projected figure would be much higher when houses start to be built that are suitable for supported housing. That will be an important issue. Perhaps, there needs to be —

Ms M Campbell: I do not really know enough about it. However, I think that, in most of those cases, people in supported housing are in one-bedroom flats.

Mr Brady: However, we are again talking about displaced costs. If people do not get proper support through supported housing, they will go back into residential care or hospital, which costs a lot more. That is one issue about displaced costs that another Department will have to pick up. In a sense, it is not a sensible approach.

Ms M Campbell: Again, it is about joined-up government and our good friend common sense.

Mr Brady: While we are working towards it here, it seems that it is more disjointed in Britain.

Ms M Campbell: In the longer term, DWP plans to localise supported housing. Obviously, we would want to consider very carefully whether that is appropriate here.

Mr Brady: In England, in particular, there is an existing infrastructure that is ready to deal with housing, social services, and so on. We do not have that.

Ms M Campbell: That is why I would suggest that it is probably not appropriate for us. However, localisation takes the matter out of the social security area.

I think that that is all. I will come back with further information on that and will take Mr Brady's points on board.

An issue was raised about power of attorney. If I understand what Mr Copeland was saying and picked him up correctly, it concerns someone with power of attorney having a vested interest in not signing the claimant commitment. I really did not understand the point. If such a person did not sign the claimant commitment, he or she would not get any money. His or her vested interest in the power of attorney would presumably be money-driven. Perhaps Mr Copeland could clarify that for me.

The Chairperson: If Michael wants to come back on that, he can do so.

Ms M Campbell: I think that the Law Centre raised the issue of work-focused interviews being reintroduced. I said that I believed that DWP was conducting a review, and I undertook to come back with further information. We were expecting a response from DWP last week. I think that it is supposed to make a decision by 2 November, so we are following that up.

I will write to the Committee about the time limit for someone taking up employment after being deemed fit for work and the definitions in regulations.

In clause 19, there was an issue around childcare, lone parents with children under the age of five, and lead carers. I gave you some figures and said that the intention is to continue the current

operational flexibility, which is that lone parents with a child under the age of five will be subject only to a work-focused interview, which might be only one interview a year. Similarly, couples will be able to nominate a lead carer and restrict that carer's availability to fit around their child's school hours.

I will write to you and set out our position on EU migrants.

There was an issue about the definition of domestic violence. On Tuesday, I confirmed that the definition will replicate that in the jobseeker's allowance regulations that were recently passed by the Assembly and the Committee. That satisfies that query. I also confirmed that the definition of hate crime refers to violence in the home, which is taken to mean any attacks from an ethnic or any other perspective, but I will confirm that for you.

We note that a number of stakeholders have suggested a statutory right to provide advice. We also note that advice services estimate that there will be a 30% increase in their workload. As far as I understand it, the agency is in discussions with colleagues in the voluntary and community unit, and the Department already provides more than £5 million to advice services. Again, we will come back to you in writing with a firm position on that.

In terms of sanctions —

Mr Pollock: We need facts and figures on the matter. We are working on that, and we hope to come back to you before next Tuesday.

Ms M Campbell: This morning, Conrad provided clarification on the double-whammy effect. An issue was also raised about claimants who have dual entitlement to employment and support allowance (ESA) and universal credit being sanctioned under UC. A question was asked: if there were insufficient funds, would we deduct from those people's ESA award? We believe that the position is that we can deduct only from the UC element, but we are getting clarification.

We take the point about separated couples living in the same house and from which member of the couple the underoccupancy rate will be deducted. We are working on that.

Mr Pollock: Procedures are in place for interviews to determine if, for example, you and Fra were living in the same house —

Mr F McCann: God forbid.

Mr Pollock: We would ask you some questions.

Mr Brady: That would be over-occupancy. It is quite a difficult issue. In fraud terms, it is the same as people who are being accused of living together as a couple, which has always been contentious. I want to put on record that the £5 million spent on advice services is money very well spent, and it is still not enough.

Mr F McCann: He should have declared an interest in that.

Ms M Campbell: When and how will claimants be advised that they are affected by the benefit cap? In England, as soon as the Act was passed, DWP undertook an exercise and wrote out to affected claimants, approximately a year in advance. We are seeking confirmation from the agency on its position and whether it will do any work with claimants to give them a year's notice. However, it is proposed that the benefit cap will come in from April 2013, so they will not have a year.

Mr Pollock: There is a communications plan for universal credit and welfare reform in general. I spoke to housing division colleagues this morning about under-occupancy, for example, and they intend to write out to those whom they believe would be affected to offer advice and services. The same applies to any of these issues: a plan is in place, which we will share with you. Tommy and agency colleagues have probably outlined that already.

Mr Brady: If parity were to be maintained, and people in Britain got a year's notice, should people here not get a year's notice? Perhaps you should put universal credit back to facilitate that. We hear a lot about parity, and it seems unfair, without being too facetious about it. However, it is a valid point.

Mr Pollock: We are already a year behind.

Mr Brady: Yes, but we are told all the time that parity is paramount and that we cannot interfere with parity.

Ms M Campbell: I have not mentioned it yet. I have been very good.

Mr Brady: I know, but I am trying to keep you in line.

Ms M Campbell: My last point — actually, it is Michael's point — is about state pension credit and the definition of carers. Is the definition of "substantial and regular caring" — the 35 hours — changing? No, it is not. That finishes all my points.

Mr Brady: Is it still 35 hours?

Ms M Campbell: It is still 35 hours. Again, we will confirm in writing.

Mr Pollock: Martina was on a roll there, so she covered most of my points as well, for which I am very grateful.

I just want to mention the ESA youth provision, in which facts and figures are again involved. Somebody mentioned 390,000; we are checking that and will come back to you in writing.

I will flesh out what we were saying about underoccupancy. There is an exemption. There was some concern about couples in which one partner is over the pension age and another is under, and whether they would be exempt. The Department has —

Mr F McCann: Would the younger person also be exempt?

Mr Pollock: Yes; the couple would be exempt from the underoccupancy rule. The Department is working with the Housing Executive to establish an advice service to try to look at that in tandem with identifying the number of households and the people involved. It is looking at the categories of exemptions and trying to offer options that individuals might want to consider.

There is a mention of ESA in clause 53, which deals with time-limiting. A check is in place to ascertain whether an individual is placed in the correct group, and whether that is a support group or a work-related activity group. Again, that is a procedural issue, and we will come back to you in writing. That is all that I have to say at the minute.

Ms Corderoy: Members were concerned about the recovery of benefit payments. We have just had some guidance material on that. I can clarify that a waiver is considered when there is reasonable evidence available that the recovery of an overpayment would be detrimental to the health and/or welfare of the debtor or his or her family, or that recovery would not be in the public interest. Apparently, there are particular criteria that would satisfy us to make any decision to waive recovery if an overpayment were made. Maurice mentioned the health issue yesterday. However, if a payment is below a certain limit and is deemed non-recoverable from a customer, the debt is automatically written off.

Mr Brady: For once, may I just give praise where praise is due. In my recent experience, particularly when overpayments have arisen with older people and have caused trauma and anxiety, the Department has been fine and got above that. We criticise a lot, so it is important to make those points. I have had about five or six recent cases in which the Department was willing, and it saves people an awful lot of hassle.

Ms M Campbell: Especially with older people. Thank you. We will pass that on.

The Chairperson: Thank you, Martina, Maurice and Michael, for your support of the Committee's work this morning.