



**Northern Ireland
Assembly**

Committee for Finance and Personnel

Room 419
Parliament Buildings
Tel: 028 9052 1843

From: Shane McAteer
Clerk to the Committee for Finance and Personnel

Date : 16 June 2011

To: John Simmons
Clerk to the Committee for Social Development

LEGISLATIVE CONSENT MOTION: WELFARE REFORM BILL

1. At its meeting on 15 June 2011, the Committee for Finance and Personnel noted your correspondence of 10 June regarding the proposed Legislative Consent Motion relating to the Welfare Reform Bill.
2. The Committee also considered correspondence from the Department of Finance and Personnel confirming that it has been consulted on the impact of the provisions on the Department. It was agreed that the Department's correspondence should be forwarded to your Committee for information.

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Mr Shane McAteer
Clerk
Committee for Finance and Personnel
Room 419
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Stormont

Our ref : Misc2/11-15

13 June 2011

Dear Shane,

LCM - WELFARE REFORM BILL - DFP's RESPONSE

I refer to your recent enquiry concerning the above issue.

The DSD Minister, Nelson McCausland, MLA, wrote to Executive colleagues at the end of last month seeking agreement to the Welfare Reform Bill containing provisions relating to Northern Ireland, which will require the passage of a legislative consent motion in the Assembly.

DSD advised in their Executive Paper that although some of the reforms may have financial implications, agreement to the specific Legislative Consent Motion in question will have no significant financial implications for Northern Ireland. The Assembly's approval is however required through a Legislative Consent Motion to the retention of the provisions for Northern Ireland in the Westminster Welfare Reform Bill.

The wording of the LCM as advised in the DSD Executive paper is:-

“That this Assembly agrees that the provisions in clauses 122 and 123 of the Welfare Reform Bill, as amended in the House of Commons, dealing with the transfer of tax credits functions and the supply of information by a Northern Ireland Department, or by a person providing services to a Northern Ireland Department, should be considered by the UK Parliament.”

DFP have been advised that the provisions allow the sharing of information between the Department for Work and Pensions, HM Revenue and Customs

and relevant Northern Ireland Departments to facilitate discharge of their respective functions.

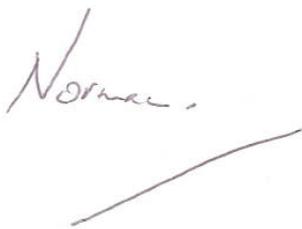
There is provision in the Bill to allow for a wider single two way data sharing gateway between DWP, HMRC and relevant Northern Ireland Departments so that information can be shared to facilitate discharge of their respective functions. Locally the powers would apply to information held for Departmental functions; for DWP this would be for social security purposes.

For DFP this would relate to information held for social security purposes as part of housing benefit/rate relief provision and would enable the sharing of social security information in the run up to the introduction of universal credit, but not beyond when the rates element of housing benefit will cease to exist in its current form.

It is however likely that a new localised scheme will have to be introduced to provide assistance with rates, which may require new legislation in due course. While DFP understands that that matter cannot be dealt with through the Welfare Reform Bill it has advised the Minister for Social Development that it will be vital that provision is made in due course to enable the sharing of data between DFP, DSD and the relevant Whitehall Departments for the purpose of any replacement rates benefit scheme.

Given that the rates element of housing benefit will no longer be a social security benefit after 2013 the powers would only apply up until the abolition of housing benefit.

Yours sincerely,

A handwritten signature in blue ink that reads "Norman". Below the signature is a long, horizontal, slightly wavy line, also in blue ink, which serves as a decorative flourish or underline.

NORMAN IRWIN