



Northern Ireland
Assembly

Committee for Finance and Personnel

OFFICIAL REPORT (Hansard)

Welfare Reform, Rate Rebate Replacement
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including Age NI, the Northern Ireland Law Centre, the Chartered Institute of Housing, and the Irish Congress of Trade Unions.

We encourage an iterative approach, so every day there are a lot of calls and e-mail exchanges, and a great deal of further information is provided. We do not just present a consultation paper and expect people to read it and write in a response; we want to engage with people. We are, however, very aware that the capacity of the advice and voluntary sectors is under serious pressure to deal with the whole range of consultations that is going on at the moment, particularly around welfare reform. Therefore, we have offered meetings with people at which we will take note of all the views expressed and share the minutes with them so that they can revise them. That can be taken as a formal response to the consultation.

A slightly worrying sign is that two organisations have said that they are under too much pressure even to meet us. That is perhaps an indication of the number of consultations that are occurring at the moment. However, we are doing our utmost to get out to talk to as many representative groups as we can, and NICVA has been particularly helpful in facilitating that.

We have had a few views from the advice sector, and those are listed in the updated paper that I provided to the Committee. There was a wide range of views on areas to subsidise the shortfall, which, of course, is the nub of the consultation: how to deal with a 10% cut in funding while supporting the most vulnerable. A number of interesting views were expressed, including one about the introduction of water charges. Of course, we do not have a particular view on that at the moment. I am just giving you a read-out from what people said in the consultation.

The Acting Chairperson: That is not a Sir Humphrey reference, is it?

Mr McClure: I could not possibly comment.

There is also a general opposition from the voluntary and advice sectors from our discussions to a flat-rate cash cut, which is top-slicing everything and taking 10% off everybody. That will mean that many people will pay small amounts of rates for the first time, which, of course, will present its own difficulties. There were also issues with some of the non-means-tested forms of support that are provided in the rating system, including early payment discount, lone pensioner allowance and the upper valuation cap. In addition, people questioned the future of the low-income rate relief scheme, which is a local scheme that sits above housing benefit. It is almost a top-up scheme. It begs the question of where its future lies when we are trying to deal with the 10% cut. There has been quite a lot of discussion around those issues. We will keep the Committee abreast of any further themes that emerge as part of the process as soon as we can.

In an interesting development, the Institute of Fiscal Studies was commissioned by the Office of the First Minister and deputy First Minister to do a report into universal credit in Northern Ireland, its impact and challenges. There is a whole section on rates support — section 4 — that the Committee might find interesting. We welcome the report. It was published yesterday and is on the website. We can provide the Committee with links to it. In the next few days, we would like to give you a commentary on our views of some of the issues to help the Committee to form a view. The publication of an independent report during the consultation is very welcome because it helps to identify some of the very difficult issues and choices that face the Assembly.

When we addressed NICVA at the seminar, it talked about the absence of a complete set of data. We are using the services of the Department for Social Development's analytical services unit to provide us with information on that, particularly its fit with universal credit. We are using the Northern Ireland policy simulation model, which took quite some time to get up and running. That was due not to the Northern Ireland Civil Service but delays in Whitehall. We now have that facility, and it is already producing results. We have provided the first wave of that information as an annex for the Committee's reference only. We will provide any later analysis as and when we get it to the Committee to help you to form a view on it.

That was a quick update. We still have a few weeks to go, as the closing date for the consultation is 10 April. Right up until that date, we will meet representative organisations to try to get good responses to the consultation. As I mentioned during the previous session, we do not have a great deal of time to turn this round into a second consultation. It is highly unlikely that we will extend the deadline for that, which is another reason why we want to get out there and talk to people.

The Acting Chairperson: Thank you for the update, Brian. You mentioned the fact that some of the groups that you sought to have discussions and consultations with were just too busy. Is that a product of the timing of the consultation at the end of the financial year when there will be grant applications, or was their client demand the problem?

Mr McClure: So much is going on at the moment. I think that it is because of welfare reform generally. There are a whole lot of issues arising out of welfare reform and people's ability to —

The Acting Chairperson: Is it possible to share your invitation list with the Committee, including those that you did not succeed in seeing, in case we can help to fill in information gaps?

Mr McClure: The Chief Executives' Forum and the Age Sector Platform felt that they were unable to respond to the consultation because of capacity issues. I will certainly provide you with a full list.

The Acting Chairperson: That would be helpful for the Committee in following up on this.

Mr Weir: Thank you, Brian; that was useful. I want to probe two issues with you. You mentioned the advice sector's opposition to top slicing, which is hardly surprising. In guiding where this should go, that is useful up to a point. From the advice sector — or, indeed, any other sector — is there consensus on an alternative? It is useful to say what we should not do; it is even more useful to identify a route that should be taken.

Mr McClure: The only sense that we have got, although it is far from a final view, is that they have to meet separately and come to a consensus NICVA view. An emerging view is to look at non-means-tested concessions that are given through the rating system to see whether money can be saved there and also, as I said, to look very critically at the low-income rate relief scheme that sits on top of housing benefit to see how it can be reviewed.

Mr Weir: The only complication is that there will have to be an economic analysis from which a few bits of low-lying fruit can be picked, although that may not be enough to fill the gap.

Mr McClure: I do not think that there is one single solution: there are solutions that rely on cutting back on other schemes, in better targeting of the scheme, and in funding from other areas. It will be a combination approach, although that is a personal view. I am not sure that we will end up having one particular solution to fill the shortfall.

Mr Weir: I am trying to think outside the box. In a consultation, government will always look to the outside stakeholders, and although we have yet to get the full list, it seems a fairly comprehensive attempt to cover them. Have the views of those people internal to government been sought? Has there been consultation with staff in social security agencies or the Housing Executive, for example? There is an understandable focus on the advice sector. However, those who work in pension credit dealing with people's social security benefits or those in the Housing Executive who deal with people's housing benefits come face to face even more frequently with those directly affected than those who work in advice centres. We have an understandable tendency in government to say that we will speak to such and such a group as it deals with people outside of things. It might be useful to get the perspective, whether confidentially or through a focus group, of those who work at the coalface and who meet those who will be affected by those issues every day.

Mr McClure: That is a very good point, and I think that we have attended to it. We are dealing with this through the Executive sub-group on welfare reform. We participate in meetings every six weeks with universal credit and welfare reform stakeholders, so it is across government. It is not just the Department for Social Development; it is other Departments as well. We are also members of a consultative forum for welfare reform, which involves internal government people.

Mr Weir: That is all useful, and I am not decrying it. However, you are likely to be dealing with government officials at a certain level who are unlikely to be directly across the counter from somebody who is filling in an application for jobseeker's allowance or pension credit. They may be channelling information from the coalface. I appreciate that time is tight, but it might be a useful exercise to focus in on a confidential basis in order to establish the views of people who are at the coalface, rather than those of people who are two or three management layers above them.

Mr McClure: That is a very good point. It is something that we will take away from this meeting for the second stage consultation. We have decided what the overarching policy is; now we have to ask how we go about it. That will be very important in informing the second consultation. How are we going to do it? We will have to speak to the people at the coalface.

Mr D McIlveen: My point is connected to what Peter was saying. If the public are not satisfied with the advice that they get from their social security office, their next port of call is our constituency offices, the Citizens Advice Bureau or similar organisation.

Are there plans to provide training for staff who are involved in that side of things? It is vital for political representatives in particular that their staff are adequately armed with the information and help that people need. Are there plans to facilitate any such training?

Mr McClure: We would regard that as part of the implementation plan for any changes that occur. When universal credit is introduced and we have to change the way in which the system operates, there will be an internal training need for Land and Property Services or the Social Security Agency or whoever administers it. However, as you said, there is also the advice sector and the constituency offices that you deal with every day. That needs to be put into the plans; it is a very good point.

Mr D McIlveen: I want to ask about the consultation. I am conscious that this will be impossible to achieve in the first consultation and will probably be addressed in the second consultation. The engagement with NICVA and all the other organisations is very helpful. I will say this somewhat tongue in cheek and with as much respect as I can, but sometimes those conversations can be shrouded in Civil Service-speak and can be a little bit detached from the real person.

I attended meetings in my constituency as part of the Transforming Your Care consultation, which provided an opportunity for the public, in an open forum, to get their points concerns across. Will that be considered in the second consultation? It seemed to be quite effective.

Mr McClure: We tried it in the past in relation to previous reforms. Our experience of public meetings was that people would not attend them unless the change was going to be immediate. There is an immediacy issue. We have had events for previous reforms in Armagh, Fermanagh and Derry and all over the place, but attendance has been disappointing. That is not to say that that will be the case in this instance. It is something that we can look at.

You mentioned Civil Service-speak. We have been quite pleased with the feedback from the voluntary sector on the way in which we set out the consultation paper; the sector was pleased that we put things in everyday terms. That might not suit everybody, but at least we have had positive feedback from almost every consultee with whom we have had a bilateral meeting. All of them said that it was good that we tried to explain things as best we could. Sometimes you have to revert to jargon when explaining particular benefits, but we have tried our best and we will continue to try to improve on that.

Mr Cree: You talk about consultation overload in your briefing paper and you mention that you have offered to help by recording points raised at meetings. Would you tease that out a bit more for me?

Mr McClure: Twenty organisations were represented at the NICVA conference, and we said that we would like to have a meeting with each of them. If it helps, we will take detailed notes of our meetings and turn them into minutes. We can treat that as a formal response if they do not have the capacity to draft a response from scratch. We have done it before, and it is particularly important at the moment because of capacity issues in the voluntary and advice sectors and because of everything that is happening with welfare reform.

Mr Cree: So it will just be an exchange at a meeting.

Mr McClure: Yes. We will take very detailed notes and send them to the organisations concerned, and they can amend them as they see fit. When that comes back, we can treat it as a formal response.

Mr Cree: What was the response from that particular group?

Mr McClure: So far, we have not used it, but it is an offer that we have made.

Mr Cree: They have not taken it up.

Mr McClure: They have not taken it up. However, we have used it in the past, as we find that it helps. We would much rather get that than get nothing from an organisation.

The Acting Chairperson: It might be useful if the Committee were to invite briefings from the stakeholders. That is why I was interested in sharing the information and your experience. We can add value to what you have done already. If the Committee agrees, we might try to put together a briefing with an umbrella group. Perhaps, Brian, you might consider coming back on that. Given the tight time frame and your reluctance to extend the consultation period, it might be helpful all round if you could make yourself available to us again if we manage to put together such a representative panel.

Mr McClure: I have absolutely no problem with that; I am delighted to help the Committee in any way that I can. If there are any particular information needs that you require before you get into that process, please let us know and we will provide them.

The Acting Chairperson: On the day, the Committee might be able to discuss the information that is put before it, and you might be able to help people to understand it or to respond to it.

Mr McClure: Yes.

The Acting Chairperson: Thank you. We will be in touch. Are members content to leave it at that and agree that we will try to identify some of the stakeholder groups that we could bring forward that have not been through your process already so that we can add value to it?

Mr McClure: I will send you the list. I might have provided it at the start of the process, but I will send it to you again.

The Acting Chairperson: Thank you very much.