



Northern Ireland  
Assembly

Committee for Finance and Personnel

# OFFICIAL REPORT (Hansard)

Welfare Reform, Rate Rebate Replacement  
Arrangements: Briefing from the  
Commissioner for Older People

1 May 2013



As I said, we are an increasingly ageing population. To give you a simple number, the number of people who are aged 85 and over will increase by 83% by 2025. Currently, 70,000 pensioners receive rate rebate and rely on it to meet the cost of rates. Some two thirds of pensioners are owner occupiers — they own their own homes. So, that means that a very high proportion of people own their own homes. A very high proportion of those people live on fixed and relatively low incomes and find it difficult to make ends meet. As I said, the overwhelming majority of those people will want to stay at home.

We can add to that the challenge that faces us with benefit take-up. I am sure that many of you will have seen the Department for Social Development's (DSD) Make the Call campaign encouraging older people to take up pension credit and the other benefits to which they may be entitled. There is still substantive under-claiming of pension credit and other benefits to the tune of some estimated £2 million each week in Northern Ireland. That includes unclaimed pension credit and other benefits. There is a perceived complexity in, stigma around and lack of information and knowledge about entitlements. That is something to watch out for when passporting benefits for people who are on gateway benefits when that level of under-claiming exists.

Those are my opening remarks. I am neither a benefits expert nor a legal expert on the key issues. You have had presentations from a range of benefits experts, including people from the Law Centre, Citizens Advice and the Council for Voluntary Action. It is a hugely complex matter. I ask that, primarily, the Department of Finance and Personnel (DFP) models its options very carefully so that it sets out how to best protect vulnerable older people and to assist them, as an overall objective, to remain in their own homes for as long as possible. It should have some more economic modelling so that older people can have the financial confidence to stay at home.

That will require some integrated work across Departments. It is not just about rate relief; it is about the proposals in Transforming Your Care for more people to be cared for at home. It is about proposals for the deferment of retirement age, having to work longer and be more engaged in communities, as well as the question of rate rebate and the level of benefit take-up. It really is about looking at that integrated work and the outcomes for older people through whatever model you look at. I found there to be insufficient modelling in the pre-consultation document for me to be able to give much more detailed views than that.

I urge you to pay careful attention to the joined-up nature of individual older people's needs. They want to stay at home, they need to be financially secure enough to do that, and they generally live on relatively low and fixed incomes.

**The Chairperson:** Just to clarify, Claire, does that mean that, at this stage and until the Department does that modelling, you will have no firm view on the options?

**Ms Keatinge:** That is right, Chair. I am specifically not taking a view on the individual options. I ask that DFP looks more closely at modelling what the outcomes will be so that vulnerable older people can be protected and the policy direction of enabling and supporting them to remain at home is supported.

**The Chairperson:** I suppose that it would be useful to put the same question to you that I put to the previous witnesses about the four policy aims that are outlined in the consultation document. Which would you prioritise? Would it be supporting the most vulnerable, making work pay, protecting revenues or working within a cash-limited budget?

**Ms Keatinge:** Supporting the most vulnerable, without question. It links to all those other objectives. The society that we want and that we want to work in protects the most vulnerable. Older people can fall into that category.

**The Chairperson:** Can you elaborate on your response to the concerns about the different passporting arrangements and how they could create a barrier to benefit uptake by older people?

**Ms Keatinge:** I could indeed, Chair. It is quite a simple point. Passporting benefits is efficient, effective and administratively very popular. That is because it reduces the number of times that older people have to provide information and submit applications. However, the under-claiming of pension credit means that there is a layer of older people who may miss out not only on their pension credit entitlements but on any benefits that are passported across. So, I would like to see a significant focus on not only the number of older people but on the increasing number of older people who know about

claiming and receive the benefits that they are entitled to. I would also like to see a significant improvement in the proportion of older people getting the benefits they are entitled to. There is a real increase in the number of people who are getting those benefits. However, because the number of older people is going up as well, the proportion of older people who get and are claiming the benefit they are entitled to is not rising.

**The Chairperson:** Would you like the Department to carry out any specific actions to mitigate that?

**Ms Keatinge:** I think that the actions that the Department is taking on benefit take-up are positive. There needs to be considerably more straightforward information about what the benefits are. There also needs to be direct assistance and support through voluntary and statutory sector organisations for one-to-one, individual advice and support for older people so that they can complete applications for benefits, should they wish to apply for them. There also needs to be absolute clarity in dealing with the things that older people worry about. Sometimes there is a stigma attached to claiming means-tested benefits. There is also a worry about claiming something that they may not be entitled to, and they worry about what would happen if they have to pay it back. All the information should be made as clear as possible. DSD has done a lot of work on benefit take-up, but more is needed to increase that proportion.

**Mr Weir:** Thank you, Claire. That is very useful information. Your submission highlights a very sensible point on participation, particularly in the consultation. You are drawing particularly from the evidence base of the experience of older people who are in receipt of rate rebate. Can you give advice on how you feel that the Department could best go about capturing that information and obtaining it from older people? How could that participation level be deepened in any consultation?

**Ms Keatinge:** There are a number of good practice guides, if you like, on how to carry out different sorts of effective consultation. However, the thing not to do is to merely write to people and have a public meeting. It may be that the Department needs to do some more qualitative research with a representative number of people who are impacted, rather than with everyone. That should be a meeting involving talking to and listening to the older people's organisations and community organisations that work with older people. It should also involve organisations that are not older-people specific but of which older people may be members. The meetings could be with the likes of organisations that are related to farming, the GAA and the British Legion, and the experiences of their older members could be heard.

**Mr Weir:** My other point relates to something that the Chair asked you about prioritising targeting vulnerable groups. You also said that there can quite often be a stigma attached to the idea of means-testing, particularly among older people. I think that that idea is generally accepted. Means-testing can act as a stigma for people in a general sense, but a lot of old people will, quite often, tend to think that it can be off-putting. How do you balance prioritising targeting and the potential stigma of means-testing? To some extent, those elements are pulling slightly in opposite directions.

**Ms Keatinge:** There is always a bit of a stigma with means-testing for a number of older people. I hear a lot from older people who say to me, "They are the Government; they know where I am. If I am entitled to it, they will send it to me. They have my files; they know who I am. They know where I live; they can send it to me. I don't want to be asking for that, because it's a bit like begging or charity, and I don't want to go down that road." There needs to be clarity on the information about benefits, and there needs to be a focus from the widest possible range of organisations, including faith organisations and community organisations. This is about somebody's entitlement, and it needs to be made clear that this is what the Government have set as an entitlement for people in certain situations. Reassurance that it is not charity or begging but an entitlement would be very useful. However, the stigma is always there. We have also to remember that people have the right not to claim means-tested benefits. They should not be made to claim them, but everyone should have the absolute amount of information, knowledge and support that they need to choose whether to apply, and, in the event that they are entitled, to qualify and receive that benefit.

**Mr Girvan:** Thank you very much for coming along, Claire. This is really about ensuring that those who are eligible for benefits claim them. I have dealt with quite a number of cases that have been referred from different voluntary groups that advised people that they should be in receipt of additional benefits. After doing all of that, and after putting them through the mill of making an application, they then find out that the people have not received the benefit. I am trying to work out why figures given to us show that up to 34% of elderly people who are eligible do not claim. Some of those people had been identified through outreach work and benefit checks by Citizens Advice. People have come to

me and said, "We went to the citizens advice bureau, filled in the forms, went through them and were told that we were eligible for pension credit. We should have been getting something." When they submit forms, they find out that they are not getting it and they are not entitled to it.

I just wonder how sure we are that the figure of 34% that you work on is accurate. You find that perhaps eight out of 10 people whom Citizens Advice referred through end up not getting pension credit. They have been through the whole rigour of making an application but have not received it. That happens with increasing regularity.

**Ms Keatinge:** It would be very useful if the Department for Social Development were clear and up front about developing its own evidence base on unclaimed benefit. That would be additionally very useful. The evidence that I rely on is from Access to Benefits (a2b), which is a relatively small voluntary sector organisation that did a Northern Ireland-only study. There is not enough robust data about who is not claiming and why they are not doing so. We are a small enough country, so we should be able to find the people who are not claiming but are entitled to do so, and then assist them.

**Mr Girvan:** We are having big enough difficulty getting some figures from the Government Actuary's Department about another benefit. Whether it is classed as "benefit" or "pay deferred" —

**Mr Mitchel McLaughlin:** — is a state secret. *[Laughter.]*

**Ms Keatinge:** There is, however, a question about information and advice. It must be accurate and of high quality. Advice must be given by people who are trained, supported and competent to give it. There may be a gap, although not so much in the competence of the advice given. In an initial conversation, people may not declare all their savings or assets or do not complete the full depth of documentation. They may talk about limited aspects of their financial position with a complete stranger, but, when it comes to a whole benefits check, they know that they need to look at all their assets. Savings sometimes come into the conversation at a later stage.

**Mr Girvan:** What do you feel about the cliff effect, whereby, if you reach the threshold, you get the benefit, but if you fall below it, you are out totally. You could be somewhere in between and living in poverty. The cliff effect does not take account of special circumstances. Say that you get 10p in income support — I am just using income support as an example — that locks you into a whole raft of other benefits: housing benefit and all the aspects associated with it, rates relief, and all that. All of that happens because you get a 10p benefit, as opposed to having a sliding scale.

**Ms Keatinge:** I think that sometimes the sliding scale — the taper — is perceived by people as being fairer than the cliff edge. However, it is the responsibility of policymakers to have a look and say, "What is the purpose of this benefit? Is it to reduce hardship, alleviate poverty or help people stay in their own home for as long as possible? What is the purpose of the policy, and does the policy and the practice assist in doing that?"

**Mr Girvan:** Has any work been done on that effect? a2b may well have done something on that, but did it undertake any quantitative work that we could use to provide us with some detail?

**Ms Keatinge:** I am not aware of any work, but I can enquire further for the Committee, if that would be useful, or perhaps you would like to enquire directly or through one of the specialist agencies dealing with advice work.

**Mr Mitchel McLaughlin:** Hello, Claire. I want to follow up on that. The Access to Benefits scheme was a useful response to demand, but it suffered, as all advice sector work does, as a result of changing regulations. Of course, this is a virtual revolution whose final outcome is probably changing almost daily.

With all these new schemes, there will be a process of regulations being introduced. That will probably throw a significant workload back on to the voluntary sector — possibly an overwhelming load. The pioneering work that Access to Benefits did in quantifying and developing a web-based calculator meant that you could almost go into people's living rooms and go through an assessment with them.

The Executive will take their own approach to the issue, as will other regional Assemblies, so no set template applies in England, Scotland, Wales and here. There will be variations on the theme, and

variations on variations. Is there a case for the Executive to use the model that was road-tested by Access to Benefits? That way, everyone would be singing off the same hymn sheet, which would be constantly updated centrally. As a result, it would consistently be able to provide accurate information so that you could answer people's queries about what they are entitled to and identify the simplest way in which to deliver those entitlements.

You may get better service depending on which advice group you go to. Generally speaking, however, those groups are also kept in a state of confusion in keeping up with changes in the system.

**Ms Keatinge:** Indeed. Whether a standardised methodology, approach, piece of software or information should be used to provide an assessment is a sensible question. Therefore, when older people are asked questions and come forward to discuss their potential benefit entitlement, it is a standardised list of information that is requested, and the collation and analysis of the data provides the right answer and outcome.

It is difficult in a changing world, and it is hugely important that our older people have the opportunity to meet directly with an individual who is trained and competent to provide the information and advice that they need. The use of a standardised process seems to me to be a helpful tool in making sure that the quality is right and appropriate.

It is also very important that people are not confused and know the name of the agency from which someone is coming out. When it comes to benefit take-up, I am sure that members will have heard people say, "I had somebody visit, but I am not sure where they were from", or, "I got a letter and am not quite sure where it came from, but it said that I should get in touch with this person about benefits".

The process should be kept as simple, straightforward and clear as possible. Imagine if you were in your 80s, and think how many times the names of the Social Security Agency, the Department of Health, Social Services and Public Safety, old age pension, universal credit, supplementary benefit and income support have changed. It is not that people are unintelligent or uninformed; everything is just enormously complicated. If you think of the number of times that those names have changed, if somebody is making an approach to an older person to consider making an application for benefit, it needs to be very clear how the information about that person was obtained, why they are being contacted, whom they can contact and what that person can decide with them about applications.

However, a standardised tool, Mitchel, is a very good idea.

**Mr Cree:** I found your paper useful. You use a lovely term in paragraph 20:

*"there is a need for adequate disaggregated data on older people".*

Would you care to expand on that?

**Ms Keatinge:** I would. My responsibilities are to safeguard and promote the interests of people aged over 60. In exceptional circumstances, I can bring that down to the age of 50. My responsibilities are age-specific, and it was decided that that was what the Commissioner for Older People should focus on. Trying to get data and information about people aged over 60 is difficult. Sometimes, in Departments, it will be collected for people who are over 65, and sometimes it will be 50 to 65. A variety of different age brackets is allowed for. It is really to make sure that any data that is obtained shows how it impacts on people in those different age bands from 60 onwards. We need to be able to provide that kind of analysis. The more clearly that it is provided at Department level, the less that I have to go back to Departments to require them to trawl through files to get it for me.

**Mr Cree:** It makes a lot of sense, but, unfortunately, it is not really happening at the moment.

I was also impressed with your statistics. You talked about the 34% of people who do not claim pension credit. Has any correlation been made to the 70,000 pensioners who receive rate rebate?

**Ms Keatinge:** And the people who do not get their benefit entitlements?

**Mr Cree:** Yes.

**Ms Keatinge:** Not that I am aware of. I am not aware of a direct piece of research that states that 70,000 older people claim and get rate relief and that another number of people do not get the benefits that they are entitled to, and where that sits against rate relief.

**Mr Cree:** Would it not make some sense to sponsor an inquiry by the authorities into following that up? If you have two different pieces of information that obviously demonstrate a need, there should be some correlation between the two.

**Ms Keatinge:** I think so. That is a very sensible point. Unless the Department for Social Development is aware of who is not claiming benefit, and unless the rate relief scheme matches up to it, we will be left with a cohort of people who do not claim the pension credit that they are entitled to, and who are very unlikely to be getting rate relief or other benefits that they are entitled to. Therefore, those people will be living in a considerable degree of poverty; they will be very cold at home and will find it hard to heat and maintain their home. There needs to be a focused approach that looks at joining up all those benefit entitlements and finds out who the people are who do not know about them, and who do not claim or receive. That should be a priority, whether that be for rate relief or pension credit.

**Mr Cree:** You hope that a caring society would follow from doing those things?

**Ms Keatinge:** I think so. We, in principle, are a caring society. We want older people to know about claiming and to receive the benefits that they are entitled to. The perceived complexity of the system and the perceived stigma mitigates that for a number of older people.

**Mr McCallister:** It is nice to see you again, Claire. You quite rightly pointed out in an earlier answer that the names of all these things are changing. How much anxiety is all the talk about welfare reform causing older people? Are they grappling with applying or wondering whether they will be automatically transferred? Are you getting much evidence that welfare reform is causing anxiety already, even before we have started to implement the changes?

**Ms Keatinge:** I am getting very little anxiety about the standardised level of pension. Generally, the response is that it makes it simpler. There will be people who do not benefit as much as others, but, in the main, the thrust of the feedback is that it will make it simpler, there will be less reliance on means-tested benefits, it will be clearer, and people can look forward with a degree of confidence to knowing the amount of money that they will get.

I have rarely seen so much anxiety about the proposed removal of benefit for people who underoccupy their home — the so-called bedroom tax. When it comes to older people, information is absolutely critical. I was at a rural conference with a panel of government officials. Older people in the audience raised the question of that change in the benefit system. They received a number of different answers about how it is going to work and what it is going to look like. I asked how many of them were worried about what is described as the bedroom tax. Everybody in the room put their hand up. I asked how many thought that it affects people over 60. Everybody in the room put their hand up, including people from older people's community and voluntary organisations and from statutory organisations. I was out with Nigel Dodds at a North Belfast Partnership meeting a number of weeks ago, and a lady there was nearly in tears. She said that she lives in a flat and that her husband occupies the second bedroom because he needs medical attention and care, and she was worried half to death that she was going to be put out. The communication about that proposed policy change or practice clearly has not got through to either community organisations or voluntary groups. I have just got information from the Housing Executive and given confirmation back to the conference organisers, but that seems to be the worry. It is very important that information be accurate, timely and communicated in a way that means something to the recipient. If inaccurate information is out there, it must be challenged quickly and effectively to allay people's fears. There is quite enough for people to worry about that is factually true without having people worry about things that are not.

**Mr McCallister:** There has been so much talk about welfare reform, bedroom tax and changes of names of benefits that there is anxiety out there. In my experience of dealing with some of these things for our older citizens, and a lot of members around this table will have had the same experience, there is a reluctance to apply. In case people lose something, they can sometimes be reluctant to challenge the system, and that applies to things such as basic home help and domiciliary care. The attitude is "Well, we will just let it sit." That attitude applies across the spectrum of benefits. That is a very worrying trend. How do we address that? How do we give people the confidence to apply for what they are entitled to and the confidence that suddenly they are not going to be viewed

differently or have something taken from them because they filled in the form wrong or made a simple mistake?

**Ms Keatinge:** We need to treat individual older people as individuals who make their own choices, are entitled to have their views and opinions respected and can decide whether to apply. However, they need the information and, as you said, that confidence. This is a right and an entitlement. It is not begging, whether for health and social care, benefits or any other aspect of the welfare state. We need to be very sure that older people need that sort of encouragement in that area.

**Mr Girvan:** I appreciate that it suits some people to give out the wrong information. A number of pensioners' forums have been held, and at some of the meetings, elected representatives who have already stated their point have peddled this idea to those communities when they were well aware of the discussions that are going on on the matter. They have actually stirred up attention. In fact, this was being peddled around two and a half weeks ago on Radio Ulster just after the nine o'clock news one morning. You know what programme I am talking about.

**Mr McCallister:** I have no idea. *[Laughter.]*

**Mr Girvan:** The media are bound to be aware, but they do not want to correct it. It is quite easy to blame everybody, but they are playing with people's emotions and playing with people's lives. That lady who was really distraught about it believed everything that she had heard, so obviously the message is not getting out. Some of us are trying to put that message out and are being refused the opportunity to talk about the things that we have been able to influence and keep in place and the protections we have put in place for certain people. Sending this positive message out is vital: not everybody is going to be affected and those who are aged over 60 will be protected from the bedroom tax. That needs to be put out publicly and peddled, and not just with a leaflet. The media are the people. Most of those people are listening to the radio and believe everything they hear, and, unfortunately, if someone does not correct the media, it gets lost in the ether. That is what happens.

**Ms Keatinge:** It is hugely important that everyone who is engaged in the dissemination of information is really very clear as to what is a proposal; what is a matter of political jockeying between parties and different opinions and views; when a decision or a proposal can be expected; how people will have the right and the opportunity to be consulted and engaged; how they will know how their views have been taken into account; and how the decision will be communicated to them in a way that makes sense to them and enables them to make realistic choices. It is inexcusable to mix up debate and discussion across the table with poor quality information, because it frightens older people, and that is not fair.

**The Chairperson:** Claire, thank you very much.

**Ms Keatinge:** Thank you all for taking the meeting earlier.