



Northern Ireland  
Assembly

Committee for Finance and Personnel

# OFFICIAL REPORT (Hansard)

Rate Rebate Replacement Scheme:  
Department of Finance and Personnel

10 September 2014

# NORTHERN IRELAND ASSEMBLY

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### Rate Rebate Replacement Scheme: Department of Finance and Personnel

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**Members present for all or part of the proceedings:**

Mr Daithí McKay (Chairperson)  
Ms Michaela Boyle  
Mr Leslie Cree  
Mr Paul Girvan  
Mr John McCallister  
Mr Ian McCrea  
Mr Mitchel McLaughlin  
Mr Peter Weir

**Witnesses:**

Mr Brian McClure	Department of Finance and Personnel
Ms Teresa Murray	Department of Finance and Personnel

**The Chairperson:** I welcome Teresa Murray to the table. During the previous rating session in June, the Committee was advised that the Department was looking at longer-term rather than interim options for completely redesigning rate rebate, because of the delay in the delivery of universal credit in Britain. Members were also advised that the analytical services unit in the Department for Social Development had undertaken some policy analysis on behalf of the Department of Finance and Personnel. What will the implications of the delay in universal credit in Britain be for this?

**Mr Brian McClure (Department of Finance and Personnel):** I will start by explaining what we did before and why we have moved in this direction. The Committee was heavily involved, and was very helpful, in the process of identifying an interim solution to modifying the existing housing benefit rates scheme so that it could work when universal credit is first introduced. At that point, we thought that universal credit was coming along very soon. Since then, however, we have discovered that universal credit is going to be delayed, and that affords us the opportunity to look at the much longer term and find a better solution. The interim solution was always just a modification to help buy us time to develop a more sustainable long-term policy. The delay in introducing universal credit means that we now have an opportunity to move directly to that end point, and that is what the analytical services unit in DSD has been undertaking on our behalf. We are getting pretty close to the end of that process. We are meeting the unit a couple of times every week, and we have a lot of reports coming back. We are trying out different options. The main options are to try to get, as and when universal credit comes along, a scheme that maximises automation for government and claimants so that the claimants do not have to fill in new forms for rate rebate or provide more information for rate rebate and so that it can be a process that is as seamless as possible for claimants.

That is where we are at the moment. What we would like to do in the autumn — by that, I mean late October — is to engage in a public consultation on a new, long-term means test for rate rebate. I am

more than happy to take questions on that. We are still in the policy development phase at the moment. We have still got the interim solution that the Committee considered before, should something unexpected happen and universal credit comes in sooner than we expect. We can still use that as a means of modifying the existing housing benefit scheme so that claimants on universal credit are not disadvantaged.

**The Chairperson:** I know that the whole process is very fluid, but is there any timescale? When will we be at that longer-term position with universal credit?

**Mr McClure:** This is our working assumption: we do not expect it before 2016, and, to be realistic about it, I would say that we may be looking beyond that. A lot of things are happening nationally that could affect that, such as a change of Government or a change of policy. However, we have to start this work now or we will not give Land and Property Services (LPS) enough time to develop its systems. It is about to start a major procurement exercise to replace a lot of its systems, so we have got to give them as much notice as possible. LPS needs at least 28 months for that, so it has to have some idea of the longer-term policy direction. That is why we will be going out to consultation in the coming weeks. At the moment, we are working flat out doing policy analysis work using the policy simulation model that derives data from the family resources survey. Once we get through that, we will have a series of options that we will go out to consultation on.

**The Chairperson:** Have you any idea when you can expect the consultation to come back, and how can the Committee —

**Mr McClure:** It will be a typical 12-week consultation. We would be happy to come back to the Committee in the coming weeks, once we have crystallised a shortlist of options. At the moment, we are involved in iterative work with colleagues in DSD. We are trying out various options. This is pioneering policy development work, because no other part of the UK is looking ahead to the same extent that we are. All the local authorities in England are simply cutting things. We are trying to find a better way of doing the means test.

**The Chairperson:** How resource-intensive is that, because you do not know what —

**Mr McClure:** There is a small team in the analytical services unit. We have two or three people working on it in rating policy division, and Teresa is part of that team.

**The Chairperson:** Teresa, do you want to add anything?

**Ms Teresa Murray (Department of Finance and Personnel):** You asked earlier about what happens if universal credit does not come in. The abolition of housing benefit is part of the welfare reforms. If universal credit does not come in, and housing benefit or the rate rebate is to be changed, another vehicle will be needed to do that.

**Mr McClure:** It is early days, but we are trying to do a lot of accelerated policy work. We are near the end of the policy analysis phase. In a few weeks' time, we will have something better to tell you about where we are. At the moment, I cannot identify a shortlist of options for you, but we are getting there.

**The Chairperson:** No members have any questions, so we will move on. Thank you, Teresa.