



Northern Ireland
Assembly

**COMMITTEE
FOR THE OFFICE OF THE
FIRST MINISTER AND DEPUTY
FIRST MINISTER**

**OFFICIAL REPORT
(Hansard)**

Update on Child Poverty Report

17 February 2010

NORTHERN IRELAND ASSEMBLY

**COMMITTEE
FOR THE OFFICE OF THE FIRST MINISTER AND
DEPUTY FIRST MINISTER**

Update on Child Poverty Report

17 February 2010

Members present for all or part of the proceedings:

Mr Danny Kennedy (Chairperson)

Ms Martina Anderson

Mr Alex Attwood

Mr Tom Elliott

Mr Francie Molloy

Mr Jim Shannon

Mr Jimmy Spratt

Witnesses:

Mr Gerry Kelly) Junior Minister, Office of the First Minister and deputy First Minister

Mr Robin Newton)

Ms Patricia Carey) Office of the First Minister and deputy First Minister

Dr Gerry Mulligan)

The Chairperson (Mr Kennedy):

On behalf of the Committee, I welcome junior Ministers Newton and Kelly, and their officials from the Office of the First Minister and deputy First Minister (OFMDFM). Thank you for coming to provide us with an update on the child poverty report and the draft childcare strategy. This meeting has been postponed on a couple of occasions, but everything seems to be settling down now. The session will be recorded by the Official Report. You may wish to make an opening statement, which will be followed by questions from members.

The junior Minister (Office of the First Minister and deputy First Minister) (Mr G Kelly):

I thank the Chairperson and Committee members for their continued interest in child poverty and for giving us the opportunity to discuss progress on the report on the Committee's inquiry into child poverty.

We were meant to meet the Committee on 23 January, but, for various reasons, we could not make that meeting, as the Chairperson pointed out. It is just over a year since the junior Ministers in OFMDFM appeared before the Committee on this subject. Much has happened since then, including the Assembly giving its consent to Westminster legislating to put child poverty targets on a statutory footing. That legislation will require us to bring forward a strategy to meet child poverty targets.

The Committee recently took evidence from Patricia Lewsley, the Commissioner for Children and Young People, as part of the discussion on child poverty. We welcome her interest and acknowledge her policy briefing. The key issues that she raised in her briefing were income levels, childcare and the particular disadvantages suffered by 16- and 17-year-olds living independently.

The Committee will be aware of the work on childcare that is going on, and we expect to see the outcome of that work in the coming months. We also accept the urgency with which the other issues need to be addressed. However, it is too early to outline the detail of how they will be addressed in the child poverty strategy. The issues that the Children's Commissioner raised in her policy briefing, including welfare reform and the disadvantage experienced by children with disabilities, will help to shape the strategy's priorities.

Child poverty is a blight on families and society, and it is incumbent on us all to do whatever we can to alleviate the hardship and disadvantage experienced by those suffering from the effects of child poverty. Members will be aware of significant developments since the Committee's report was published in June 2008. It may be useful to run through the sequence of events to date and to outline where we think further work will be needed over the next 12 months or so. My ministerial colleague, Robin Newton, will then pick up on some of the detail around various issues. He will highlight areas where we have seen progress and some where we have struggled. We will then be happy to take questions.

When OFMDFM received the Committee's report on child poverty in June 2008, we were already keenly aware, from our Programme for Government (PFG) commitments on child poverty, of the challenge presented. Developments since then — I am thinking particularly about the economic downturn — have heightened the difficulties that the Executive and Assembly face in tackling child poverty.

We have all felt the effects of the economic downturn, but they have been especially felt by those who are already deemed as being vulnerable to the risk of poverty. In the Programme for Government, we are committed to work towards the elimination of child poverty in the North by 2020, to reduce child poverty by 50% by 2010, which is this year, and to work towards the elimination of severe child poverty here by 2012.

The latest available child poverty figures, which cover 2005-06 and 2007-08, show that, in general, progress on tackling child poverty here is broadly on a par with England, slightly better than in Wales and slightly behind Scotland. However, it is possible that the economic downturn will have an adverse effect on progress, and we will be interested to see future figures to gauge that effect.

The measures that we use when referring to child poverty are relative income poverty, absolute income poverty and mixed relative income and material deprivation. Relative and absolute income measures relate to the numbers of children in low-income households. The mixed relative income and material deprivation measure reflects the ability of poorer households to afford goods and services that many would view as basic necessities.

Other related issues of concern for us include the lower average levels of wages here; the greater reliance on social security benefits and tax credits to contribute to household income; the educational outcomes of disadvantaged children; and health outcomes for the poorest children. In addition, fuel poverty has increased, with the latest figures indicating that levels of fuel poverty have been, and continue to be, higher than those for Scotland and England. When we view all of that in context and take account of the economic downturn, perhaps we can begin to see the scale of the task we face in tackling child poverty.

As we stated previously, the Committee's report on child poverty was wide-ranging and, as

such, required that OFMDFM, in collating the formal Executive response, consult all other Departments on the full range of issues raised and the associated recommendations. We discussed that response at our most recent meeting, and we recently provided the Committee with a comprehensive update on progress. I am sure that members will want to ask questions on that later, and we will be happy to respond. However, although OFMDFM takes the lead on policy in that area, other Departments take the lead on the delivery of services.

I have already mentioned the economic downturn. It has had an obvious impact on the Executive's ability to make real progress in tackling some of the issues around child poverty. Members will recall that, in December 2008, the then Minister of Finance and Personnel unveiled the Executive's package of measures that was designed to ease the burden faced by households here. Although the overall £70 million package that was announced then provided some welcome immediate relief, Committee members will be aware that the deep-seated causes of child poverty, which were highlighted in your report, are much more difficult to tackle.

Some of the measures announced at that time included provision for assistance on fuel poverty, which was £150 per household for those in receipt of state pension credit and other benefits; child funds, which amounted to £1.6 million from the Department of Health, Social Services and Public Safety (DHSSPS); £500,000 for flooding hardship payments from the Department of Agriculture and Rural Development (DARD); £700,000 for the fishing industry; and £20 million for the farm nutrient management scheme to act as a buffer to the construction sector from the downturn in the property market.

Last February, the First Minister and deputy First Minister took powers through the Financial Assistance Act 2009 to designate Departments to bring forward schemes, as appropriate, to provide financial assistance to mitigate financial hardship arising out of exceptional circumstances, or to tackle poverty and social exclusion where existing arrangements are demonstrably ineffective, inadequate or unsatisfactory. Members will be aware that that important legislation allowed for fuel poverty payments to be made in March 2009, which involved the award of some £24 million to low-income families who were affected by rapidly rising fuel costs.

In recognition of the complex factors that impact on the child poverty arena, and to underscore government commitment to tackling those issues, the British Government have moved to place

child poverty targets, such as those reflected in our PFG, on a statutory basis through the Child Poverty Bill. You will also be aware that the Assembly has passed a legislative consent motion to allow that Bill to extend to here. The Child Poverty Bill has completed its passage through the House of Commons and is currently at Committee Stage in the House of Lords. It is hoped that the Bill will gain Royal Assent in the spring. In turn, we have ensured that the Bill will contain a statutory requirement on OFMDFM to draw up a child poverty strategy and to report to the Assembly on a yearly basis on how we are progressing against targets.

In the course of our discussions on the Child Poverty Bill, we have consulted the Committee and a range of stakeholders. In developing the child poverty strategy, we will continue with that policy of engagement, which will include engagement with children. The recommendations from the Committee's inquiry into child poverty will continue to be relevant to that work. The Whitehall Department for Children, Schools and Families is leading on the Bill and on the establishment of a child poverty commission, consultation with which will also feature strongly in our plans for developing our strategy. It is expected that, following Royal Assent for the Bill, the commission will be established and will be representative of all regions, including the devolved Administrations.

The junior Minister (Office of the First Minister and deputy First Minister) (Mr Newton):

Thank you for the opportunity to be here today. *[Interruption.]* I thought I had turned my phone off.

The Chairperson:

It is one of our rules that mobile phones be switched off. I am not sure what sanction I have against Ministers.

The junior Minister (Mr Newton):

I apologise for that, Chairperson.

There are real problems in tackling child poverty. Minister Kelly has given you a quick update on a number of issues related to child poverty that are being progressed. I would like to expand on some of those. I will outline what we are doing and what we see as the way forward.

Minister Kelly stated that we have recently provided a comprehensive update on progress on all the recommendations in the Committee's report. Hopefully, you can see from that update what progress has been, and is being, made. I highlight the work that the child poverty subgroup is doing on the important issue of childcare provision as one such example of that progress. We brought together Departments to look at quality childcare, which is crucial for children's development, and at how cost and availability of childcare is a barrier for parents seeking to enter or re-enter the labour market. Officials have commissioned an economic appraisal on the future delivery options for childcare, and we hope to review the results of that by the end of March.

We have already had some engagement with the Committee on what the UK Child Poverty Bill will mean for Northern Ireland. In taking forward work on the Northern Ireland child poverty strategy, we will seek to consult fully with the Committee as we deal with other stakeholders, including children themselves.

Through the Executive subcommittee on poverty and social inclusion, work is being advanced on a range of issues that are touched on in the Committee's report. Those issues include the measurement of poverty, specifically child poverty. The subcommittee has agreed a framework for monitoring and reporting on progress, and work is being carried out to gather the necessary data to facilitate that process.

The framework agreed in respect of Lifetime Opportunities will, in turn, facilitate our reporting requirements under the UK Child Poverty Bill. Work streams are continuing on a North/South and east-west basis, through the British-Irish Council and the Four Nations Forum on Child Poverty. Any and all good practice from those important areas that can be applied to our particular circumstances will assist us in preparing our child poverty strategy.

In the Executive's formal response to the Committee's report, there are several areas that touch on reserved matters. We are acutely aware of the importance that levers, such as benefits, tax credits and the minimum wage, can have on child poverty. We will continue to lobby at Westminster to ensure that we get the best possible deal for Northern Ireland. Having said that, there are matters that are within the Assembly's control and that can make a difference.

Some members may be aware of a recent research report published by the Joseph Rowntree Foundation, which examined the impact of devolution within the UK on poverty. As I

mentioned, that research highlighted the continued importance of reserved matters for disadvantaged people and places. It also demonstrated the success of particular devolved policies. Of note were the achieved reductions in unemployment figures and in the numbers of those wanting, but lacking, paid work. Those successes were counterbalanced by the persistently higher rates of economic inactivity here. The authors of the research indicated that there was evidence in devolved Administrations of interesting and successful initiatives showing signs of success; in particular, where devolved Administrations used their own powers effectively.

All that, coupled with our experience over the past couple of years, points to the undeniable fact that it is only by working effectively together to improve public services that we can really expect to tackle the myriad issues affecting our poorest children and families. We remain committed to that task, and we are grateful for the opportunity to reinforce that message and to seek the Committee's support in that endeavour. Thank you.

The Chairperson:

Thank you very much for that overview.

Throughout the Committee's report, the issue of defining and measuring child poverty is highlighted as being key to properly alleviating child poverty and, hopefully, to moving towards its eradication in the not-too-distant future. You said that the ministerial subcommittee is working up proposals and looking at new models. How close are we to seeing that paper emerge, and, when it is agreed, will it be made available to the Committee?

The junior Minister (Mr G Kelly):

As members are aware, it is very difficult to find an appropriate definition for a number of measures, especially in respect of severe child poverty. There is none throughout Britain and here. We hope to come back to the Committee about the paper fairly soon. Clearly, we will share it with members.

I do not have to tell the Committee that we are currently using all available measures, including those that involve family income and levels of deprivation. We are working on the issue. We realise how difficult it is, but we will come back to the Committee on that matter very soon. We have not yet come to a conclusion.

The junior Minister (Mr Newton):

The question is, in many ways, very obvious. It is of concern to all of us. It sounds like a relatively simple one to answer, but the situation is, in fact, very complex. Ministers have been considering the options for defining severe child poverty, but no decision has yet been taken. The options suggest that between 8% and 10% of children in Northern Ireland are living in severe child poverty, but it depends on the methodology that is used.

The issue is complex. There is no requirement in the UK Child Poverty Bill for the levels of persistent child poverty in Northern Ireland to be reported separately. Furthermore, it is unlikely that the relatively small sample sizes of the household survey in Northern Ireland would be sufficiently statistically robust to assess whether there is any difference between here and other parts of the UK or the totality of the UK.

The junior Minister (Mr G Kelly):

A monitoring framework and indicators have been developed. They will go to the ministerial subcommittee on children and young people. We hope to publish those and supply them to the Committee when they are cleared.

The Chairperson:

I also want to raise the issue of the cross-cutting approach. Throughout its inquiry, the Committee was concerned that, although OFMDFM has the lead or overarching responsibility in this area and seems to have quite a number of carrots at its disposal, it has no stick to deal with other Departments. How will that be addressed? How can you allay that concern at this stage?

The junior Minister (Mr G Kelly):

Part of the difficulty is exactly as you describe it. The ministerial subcommittee on children and young people is a subcommittee of the Executive, which means that all Departments are represented at ministerial level. All Departments and Ministers work to a budget, and it is not our job to tell them exactly how to use their budgets. However, there are six key priorities that are agreed by all Ministers and Departments. There are lead Departments in all of those different subgroups, which deal with, for instance, vulnerable children, safeguarding, etc.

I do not think that you used the word “pressure”, but you suggested that we could use our influence. It is incumbent upon Ministers to bring forward proposals that can then be agreed by

the rest of the Ministers. The fact that the subcommittee is a ministerial subcommittee means that there is pressure that can be used. As well as establishing six priorities, the subcommittee agreed that there would be a children's champion in each Department. Instead of someone having to go from one person to another, or from one departmental unit to another, there would be a one-point contact.

The junior Minister (Mr Newton):

The establishment of the UK Child Poverty Bill will have implications for all Departments, and all Departments will have a statutory duty to step up to the plate.

Ms Anderson:

Go raibh maith agat. Thank you for your presentation. I want to comment on three areas, but I am not sure whether they all fall within your remit. The first area that I want to cover is income disregards; the second is the strategies that are in place with regard to the better off in work credit; and the third is benefits for under-25s.

First, I turn to income disregards. The difference between the three and 16 hours that people can work is a disincentive for people, particularly lone parents, because once an individual earns over £20, he or she loses the relevant benefit. Have the Executive considered breaking parity on income disregards?

Secondly, a better off in work credit pilot scheme is in operation in jobcentres in Yorkshire. There has been a failure to deal with the particular circumstances here in the North, especially with regard to programmes and projects that have come over here in the past. There is a lack of affordable childcare here, which members are aware of, and we have high fuel costs, as well as lower wages. In that context, have there been opportunities for discussion on tailoring such a programme or pilot to here, rather than simply extending the Yorkshire pilot once we see how it works out there?

Thirdly, having written a letter to, and asked a question of, the Minister for Social Development, I have a concern. I wrote to the Minister with queries regarding some of my constituents' experiences, and I know that other MLAs from across the North have similar concerns. My concern relates to the under 25s and the rate of key benefits, such as housing benefit and jobseeker's allowance, that they receive, and to the fact that they are not entitled to

working tax credits. For instance, the under 25s receive only £41 in housing benefit, whereas anyone who is even one day over 25 receives £77. Furthermore, the under 25s receive only £50 in jobseeker's allowance as opposed to the £64 that is awarded to individuals who are a day over 25.

The Minister told me that the under 25s expect less money because of their age and could simply share with friends rather than needing their own homes. Given what we know about the domestic violence, sexual abuse and child abuse that sometimes happen in the home, I am asking for lobbying for more substantive reform to be carried out. I am mindful that that is not a transferred matter, but, as OFMDFM is the lead Department on deprivation and poverty, particularly child poverty, will you consider the issue, particularly in the ministerial subgroup?

The junior Minister (Mr Newton):

If Ms Anderson had been asking a question in the Chamber, she would have gone over her time. Ms Anderson has outlined a number of concerns and the actions that she has taken. If I do not respond to all of the points raised, I am sure that Minister Kelly will pick up on the remainder.

I have not heard any arguments against income disregards. The best route out of poverty is a job, hopefully one that is well paid. It therefore follows that incentives to gain a job or to rejoin the labour market are a good thing. In accepting that general principle, we must not lose sight of the wider picture, which I think the member was alluding to. We must strike a balance between creating an incentive for individuals to take up employment and the need to ensure that the vital support mechanisms that the member has talked about, which are provided through the social security network, are still available to support those who are not in a position to take up gainful employment.

We can see, therefore, that the issue of parity in relation to social security benefits and income disregards has a much wider application than to just one group of people, such as lone parents. The Westminster legislation applies not just to Northern Ireland, but right across the other jurisdictions — England, Scotland and Wales.

However, in recognition of the particular barriers faced by lone parents who are trying to access and secure jobs that could help to lift them out of poverty, the promoting social inclusion subgroup has made recommendations on how those barriers can be addressed. Some of the

recommendations revolve around childcare. I have mentioned already that the issue of childcare provision is being examined, and I can assure the Committee that, through the subgroup, we will not lose sight of any of those recommendations.

There are serious dangers in breaking parity with the rest of the UK. Generally speaking, we are a net beneficiary of the UK benefits system, and breaking parity would mean an additional cost for the Assembly, and it may exacerbate the overall benefits problems that we see in the Province.

The junior Minister (Mr G Kelly):

There was a question about the better off in work credit pilot scheme in Yorkshire. We are awaiting the outcome of that pilot scheme. We generally wait to see the outcome of any pilot scheme, whether in the South or in Britain, before starting our own scheme. We can learn from other schemes without stepping straight into our own pilot scheme. We are a smaller area, and sometimes a pilot scheme elsewhere will not have the same impact here. However, we will look at that and take cognisance of the results of the pilot.

I have some sympathy with Ms Anderson's comments about benefits for the under 25s. The Minister for Social Development has to push that issue. We can discuss the issue in light of our responsibility for children and young people; that is our way in. If I picked you up correctly, you said that there was an attitude that the under 25s can sort themselves out through their family and friends. I am not sure whether that is the proper way to address policy. Clearly, the under 25s have as much need as others of our assistance at a political level, and we have a responsibility to help. Therefore, in that broad sense, I agree with the member. We can take that matter up.

I was a member of the Committee for Social Development some time ago. The argument has always been made that breaking parity will cost the Executive and the Assembly money. I can think of some instances when that was proven to be true. It becomes very difficult. One of the arguments is that we may have to change a whole computer system, etc. I am of the opinion that each case must be taken on its own merits, and there may be times when the Assembly can afford to break parity. I cannot think of an example at the moment, but my approach would be to look at everything on a case-by-case basis.

The junior Minister (Mr Newton):

I want to add a point that we have not mentioned. Statistics show that there are some 45,000 young people who are not in employment, education or training (NEETs). I understand that Sir Reg Empey, the Minister for Employment and Learning, has initiated a review of the NEETs group and that a report will follow. I imagine that that will be taken into consideration in the anti-poverty strategy.

The Chairperson:

Mr Shannon has prevailed upon me to bring him forward slightly in the queue of members who wish to ask questions, an approach that has been accepted by both his colleagues and opponents.

Mr Shannon:

I apologise for being late for the presentation. One of my concerns is about the funding that is provided to organisations such as Sure Start, the Government's early years programme. I have had several meetings with Robin Newton on the issue. I also asked Gerry for a meeting, but, unfortunately, I was unable to secure it, because he felt that the issue had been adequately discussed. Sure Start is one of the organisations that I brought to the Committee's attention. It deals with family and child poverty issues. Like other organisations, it carries out very important work, yet, when it comes to the bit, the necessary funding is not provided.

Will you give the Committee some insight into the difficulties in providing funding for organisations such as Sure Start? Will you also detail what action can be taken by the Government, the Assembly and OFMDFM to ensure that the really good work that those organisations carry out can continue? It is of personal concern to me that Sure Start has not been funded as well as it could have been, and that it has, therefore, been unable to continue its very significant and important work.

The junior Minister (Mr G Kelly):

I want to begin by congratulating Mr Shannon on being so persistent on this issue. Every time that I appear before the Committee, he raises it, and he has also written several letters about it. People have to be persistent on such issues. That said, we may not be able to give him the satisfaction that he is looking for.

Mr Shannon has asked for funding for family centres, as he has done on a number of

occasions. This may sound like a pat answer, but there are funding priorities. We are working in a subvention economy, and each Department must argue for its slice of the block grant and provide reasons for wanting it. I am aware that Mr Shannon knows that, which is why I am a little reluctant to go through it all again; however, we are dealing with a block grant. I agree that the projects that he has mentioned are crucial, particularly in disadvantaged areas, but we must deal with the issue on the basis of the money that is available.

I wish that I had a fancy answer, but, in the end, that is the only answer I can give. Decisions on the allocation of funding are up to individual Ministers. Those matters do come to the central point of the Executive and, where children are concerned, the ministerial subcommittee on children and young people. However, the difficulty is always the same. Should the funding of Sure Start be prioritised above other issues, and how much money and resources can be given to it?

Mr Shannon:

I do not want a fancy answer.

The junior Minister (Mr G Kelly):

I absolutely know that you do not.

Mr Shannon:

Show us the money and help Sure Start to continue.

The junior Minister (Mr G Kelly):

I understand that position, but, unfortunately, the funding of Sure Start is part of a cake that does not increase in size. That is the difficulty.

The junior Minister (Mr Newton):

On two occasions, Jim brought to my office a delegation of constituents under the Sure Start banner. One could not fail to be impressed by the work that they do. Minister Kelly has outlined the financial situation, but Sure Start, and family centres generally, will obviously continue to play a part in the anti-poverty strategy. The Department of Education is currently reviewing the Sure Start programme, and we await the outcome of that review.

Mr Spratt:

I thank the junior Ministers for their presentation. Given the current economic downturn, how realistic are the targets of eliminating severe child poverty by 2012 and all child poverty by 2020? Should the Government not be telling people that things will become more difficult?

We have said that the best way to get people out of poverty is to get them into employment. The Committee's report identified the lack of affordable and accessible childcare as a major barrier to accessing employment, and one of its key recommendations addressed that issue. Lack of childcare facilities is a cross-cutting issue that crops up time and again and that prevents people from accessing college courses, and so on. I have dealt with many constituents who have been unable to remain on courses because crèches have been closed down. They enrolled on those courses to try to get back into employment. It is a vicious circle that must be addressed.

The better off in work credit scheme has been piloted in Yorkshire and Humberside. Yorkshire is often aligned with Northern Ireland because of the similarity in the land masses of the two areas. All the jobcentres in Yorkshire and Humberside are operating pilot schemes, but there are none in Northern Ireland. Could we not have pilot schemes in Northern Ireland to try to get people back into employment?

The junior Minister (Mr Newton):

It is always worth examining the information that emerges from any pilot scheme that is relevant to Northern Ireland. We should embrace whatever is regarded as best practice. We ought to learn whatever we can from the experiences of other places and apply the findings to our own situation.

The child poverty targets are challenging, and they will be placed on a statutory footing when the UK Child Poverty Bill is implemented. That will underline that the Government, whether Labour or Conservative, will remain committed to continuing to tackle the issues. All the jurisdictions will have to take a co-ordinated approach.

In the past couple of days, we met HM Treasury officials here to discuss the UK Child Poverty Bill. We asked them whether they believed that the Treasury would allocate any more funds to tackle child poverty. Their answer was clear: Treasury will not be providing us with any additional funding. There is no indication that additional resources will be made available on

the basis of the statutory requirements. The targets need to be challenging and robust. As I said, they will be placed on a statutory footing in the Westminster Bill. They must stretch us and ensure consistency in our approach. I accept that there are pockets of deprivation in Northern Ireland. There will be differences depending on whether the context is Northern Ireland-wide or UK-wide.

The junior Minister (Mr G Kelly):

We had to set challenging targets. Targets had already been set, and we added the target to eradicate severe child poverty in the North by 2012. Obviously, the economic downturn makes things more difficult, but it would be wrong to change the targets. We will create difficulties if we set easy targets. We must try to live up to the targets that we have in place. That the targets will be placed on a statutory basis strengthens the imperative on our Assembly and on the Executive to act. Therefore, although the task may seem impossible at times, we still have to set the targets high.

An economic appraisal of the delivery options for childcare will be completed by March 2010. We will look at the outcome of that when deciding our future move on childcare.

Mr Spratt:

In regard to the cross-cutting nature of the response, OFMDFM is the lead Department. We need some very quick fixes to some of the dire circumstances that I see in my constituency and that others have described in their constituencies. In fairness, there have been some quick fixes; some schemes in my constituency survived last year on money from various Departments. However, much of the time, deadlines run right up to the wire and schemes organisers do not know whether they will get funding.

There needs to be co-ordination to ensure that some of those schemes survive, because people will not get out of the situations that they are in without serious help. Some innovative thinking is required, and the sooner the better.

The junior Minister (Mr G Kelly):

We are well aware of schemes across a range of areas that operate on a hand-to-mouth basis when it comes to funding. That is particularly difficult when the schemes exist to help children and young people. That problem is one of the problems that we are considering through the

ministerial subcommittee on children and young people. I agree that we need to take away the doubt about whether funding will be available.

When funding is required for more than three years at a time, a difficulty arises because of the comprehensive spending review (CSR) and Budget cycles. However, we are looking at the problem, because I hear about it in my constituency as much as you and everyone else.

The junior Minister (Mr Newton):

I did not address Mr Spratt's question about the information that people need to decide whether they are better off in work or on benefits. The jobs and benefits offices can clearly point out to people the measurable advantages of getting into employment.

There was a question about the 2020 targets. It is quite obvious that the recession is biting in a way that adds to the problem of child poverty. None of us thinks that that problem will be solved immediately; it is likely to be with us for a time. However, the targets are there, and we need to aim for them.

I referred to the fact that the Treasury indicated that there would be no additional money. The Treasury is talking about combined strategies that will lift children and their families out of the poverty trap, such as those that involve childcare, closing the educational gaps between deprived and affluent areas, and improving the skills of the workforce. The implication is that we need to see an improved performance across all Departments. As I said, the targets will have implications for all Departments.

Mr Attwood:

I agree with both the junior Ministers that the targets for reductions in child poverty should remain in place and should remain challenging. I noted Gerry Kelly's comment that we are a bit ahead compared with Wales, but a bit behind compared with Scotland. Where are we with the 2010 and 2012 targets? What will the gap be between where we end up and where we should be? Dr Mulligan indicated that the recession would affect the 2020 targets, presumably quite significantly. Whatever about the comparisons with England and Wales, what will be the likely outcome of efforts to meet our short-term targets, specifically the 2012 target?

The junior Minister (Mr G Kelly):

I feel like looking behind me to see if anyone there has the answer.

Mr Attwood:

I was going to suggest that you give us the answers in advance, so that you could know what the supplementary questions would be.

The junior Minister (Mr G Kelly):

Part of the difficulty touches on our earlier discussion about definitions. I do not have the specific answers that you are looking for. If there is any information available that will help to answer that question, we will write to the Committee with it, if that is OK.

Mr Attwood:

The issue is important. If people are to rely on the information that we are ahead of Wales but behind Scotland, we need to know what the comparators or the likely figures are.

The junior Minister (Mr G Kelly):

You are talking about the monitoring framework as well as what the differences are.

Mr Attwood:

We can bandy figures about all day long, but we need to know what progress we have made against our own targets as opposed to where we are in comparison with Scotland and Wales. It would be helpful to know that.

The junior Minister (Mr G Kelly):

I think that a brave official is about to answer.

Dr Gerry Mulligan (Office of the First Minister and deputy First Minister):

An informed official, thanks to my colleagues in statistics who are sitting behind me. Let me start with the measure of relative income poverty: the target was to half the figure by 2010, the starting point being 1998. We have not achieved that target. We are still at around 60% rather than 50%. Turning to the figures themselves, in 1998, 135,000 children were estimated to be living in poverty. The figure is now 102,000, which represents a 25% reduction. That is not the figure that we wanted to achieve.

However, let us consider the other measure of poverty, which is absolute poverty. My colleague is working out the sums now, and they will, I think, show a reduction of 50%. The figure for children living in absolute poverty has fallen from 29% in 1998 to 16% in 2008. Progress in that regard has been much more significant. In other words, people's incomes have significantly improved, in real terms, in the intervening period.

Mr Attwood:

I look forward to seeing the figures, because what I am really interested in is what has happened between 2008 and 2010 and what we think might happen between 2008 and 2012. Those are the figures on which we must rely when it comes to the current Programme for Government, because the figures for 2008 fall before the period that it covers. It is useful to hear the figures that have just been mentioned, but it is the time frame of the current Programme for Government that we should focus on.

The junior Minister (Mr G Kelly):

You should keep in mind that there is a two-year lag with statistics.

Mr Attwood:

We have to be cautious with figures in general, for that reason among others.

The ministerial subcommittee on children and young people is examining the issue of transition, with a view to bringing forward proposals. I understand that that is the same position as a year ago and that those are the same words as a year ago. Are we in the same position as we were in a year ago?

The junior Minister (Mr G Kelly):

I certainly hope not. You said that the words are the same. I do not know about that, but I know that the ministerial subcommittee has met on a number of occasions. As I pointed out earlier, it does not involve just the two junior Ministers. We are there only to chair the meetings.

Good work has been done. A substantial scoping process was undertaken at the outset, because we did not want to demand too much of the subcommittee or give it too wide a remit. Therefore, we homed in on six areas, and we then set up a number of subgroups to deal with each

area. Since then, we have had reports on the work undertaken in each area, and progress has been made in all of them.

I can certainly supply the Committee with a more comprehensive report on that work, but, to answer Mr Attwood's question, we are most definitely not in the same place as we were when I first chaired the ministerial subcommittee on children and young people. A lot of work has been done in a number of areas.

Mr Attwood:

I want to raise an issue that Mr Shannon has raised before, which is that there are age groups that are in transition and that tend to fall between two stools. When I was on the Committee for Employment and Learning, there were strong representations on that matter from groups such as Include Youth, among others. It would be useful if we could come back to that.

The junior Minister (Mr Newton):

To add to what Minister Kelly has said, the subgroup on poverty is making good progress.

The Chairperson:

It is working flat out. *[Laughter.]*

The junior Minister (Mr Newton):

Yes, like every Committee. We hope that that work will be brought to the Executive within — I want to use this phrase — “a short period of time”.

The Chairperson:

We are familiar with that phrase.

Mr Attwood:

My final question is about the childcare strategy. Earlier, you indicated that you hope to have an economic appraisal of childcare options by the end of March to allow you to make an assessment. Does that mean that, at the end of March, the best outcome would be interim funding for groups rather than there being a strategy in place? As you know, there has been ad hoc funding, which, in the circumstances, was the best that you could hope for. Will that continue to be the situation for those groups after March?

The junior Minister (Mr G Kelly):

The worst-case scenario would be if one of the groups doing that hard work were to fall because of lack of funding. As Jimmy Spratt mentioned, there is a difficulty with funding. We supply initial funding and end up having to continue that funding for another three months and then another six months. We want to move away from that. However, I do not think that we will be in a position to offer assurances of three-year funding periods in March, when the appraisal is completed. We will look at the findings and outcomes and work from there.

Mr Attwood:

Have you any idea how long that might be? Will it be three months or six months? I ask because, if there is a new Government, of whatever hue, and if there is bad news on funding, it could be that, having waited all this time for a childcare strategy, childcare groups might see the strategy unravel because of further budgetary pressures.

The junior Minister (Mr G Kelly):

At a constituency level, there are already people lobbying me on that, and it is a situation that we want to avoid.

The junior Minister (Mr Newton):

The point was made by Mr Spratt. I fully understand where Mr Attwood is coming from and the need to find out what the outcomes of the strategy will be. I have no doubt that there will be a period of uncertainty. However, the absolute objective of the strategy is to remove that uncertainty and to get to the stage at which there is no longer a piecemeal approach to funding. We will then know where and how to target the money strategically to ensure greater consistency and to provide those groups with the assurances that Mr Attwood and Mr Spratt seek.

Ms Anderson:

In my city, 34% of children live in poverty or deprivation, and that is one of the highest figures in constituencies across the North. The city is involved in a regeneration plan, which is being carried out by Ilex and the Department for Social Development (DSD), the sponsoring body. Surely the issue is the effective use of public money. I recommend that all Departments look at our terms of reference around targeted proposals. We hope to get to that target in a way that ensures measurable outcomes.

Many of us in the city, and many of us who are working on that project, are concerned and alarmed. We have been trying to get data on section 75 information, and, to our dismay, we have discovered that none of the Departments has been collecting and collating section 75 data, even though it has been in existence for the past 10 or 11 years. Whether it is for health, social security, employment or education, we have got only bits of information, not the complete data. An evidence base is necessary to produce the programmes and projects that we need to ensure outcomes, particularly if there are limits to the amount of public money that is available.

OFMDFM is the lead Department on section 75 issues, and there is an equality unit within the Department. Moreover, part of the Department's role is to give evidence to the Committee on child poverty and children and young people. We need robust, evidence-based information from each Department. The way in which Departments have been collecting and collating information is not the way that we should continue to do business.

The Chairperson:

Do the junior Ministers wish to respond to that point?

Ms Anderson:

I am just asking whether they can look into that.

The junior Minister (Mr G Kelly):

Martina offered to send information to us, which we can consider. We will take back to the Department the question on section 75.

The Chairperson:

The Deputy Chairperson of the Committee, Mrs Long, is not with us today. At last week's meeting, however, she requested that consideration be given to ring-fencing funds from dormant bank accounts in order to tackle child poverty.

The junior Minister (Mr G Kelly):

The legislation proposed in respect of dormant bank accounts represents an opportunity for the Executive to target additional resources at tackling poverty and social exclusion through the vehicle of the Big Lottery Fund. Therefore, the matter is at arm's length from the Executive. The

Department of Finance and Personnel (DFP) launched a consultation on dormant bank accounts last year, and we need to see the outcome of that.

There is an estimated £10 million to £20 million in dormant bank accounts, which is a wide range. That amount may be available in year one, after which perhaps some hundreds of thousands of pounds might be available. However, we do not have control in the sense that I think Naomi Long was suggesting we do.

The junior Minister (Mr Newton):

On the basis of DFP's work, dormant bank accounts provide us with an opportunity to address some of the issues around poverty and social inclusion.

The Chairperson:

I believe that you have promised to provide additional information to amplify some of the answers and points raised. Thank you for attending, and good afternoon.