



Northern Ireland
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Committee for the Office of the First Minister
and deputy First Minister

OFFICIAL REPORT (Hansard)

Child Poverty Act: OFMDFM Briefing

20 June 2012

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Mike Nesbitt (Chairperson)
Mr Chris Lyttle (Deputy Chairperson)
Mr Thomas Buchanan
Mr Trevor Clarke
Mr Colum Eastwood
Mr William Humphrey
Mr Danny Kinahan
Mr Alex Maskey
Mr Francie Molloy

Witnesses:

Mr Joe Reynolds Office of the First Minister and deputy First Minister

The Chairperson: Briefing us today from the Office of the First Minister and deputy First Minister (OFMDFM) is Mr Joe Reynolds. You are very welcome. I invite you to give us some opening thoughts. We will then take questions.

Mr Joe Reynolds (Office of the First Minister and deputy First Minister): Thank you for the opportunity to brief the Committee on foot of the report of the Executive in respect of their statutory duties on child poverty.

As you are aware, the first annual report of the child poverty strategy was agreed by the Executive on 31 May and was subsequently laid before the Assembly on 6 June. Committee members received a copy in advance of publication. Although there was a delay to the publication of the report, I am sure you will understand that Ministers' priority was to focus our attention on making a real difference through the delivery and social change framework. As Ministers indicated when they appeared before the Committee in May, they have been engaged in a series of bilateral meetings with other Executive Ministers to press them to confirm the actions that they were each taking to deliver on the collective goal. This morning, junior Ministers met ministerial colleagues at a meeting of the ministerial subcommittee on children and young people.

The Child Poverty Act 2010 required the Executive to lay a strategy before the Assembly by March 2011 setting out how it will tackle child poverty. Specifically, the Act required the Executive, along with the Scottish Parliament and the Government at Westminster, to work towards the eradication of child poverty in the UK by 2020. The targets contained in the Act are UK-wide targets. There are no

regional or localised targets. The Act requires that Departments produce an annual report setting out the progress towards the targets in the Act.

Actions driven by the strategy aim to alleviate the factors that give rise to poverty. Improvements in educational achievement, physical and mental health issues, and progress in housing and other environmental conditions may, themselves, be delivered in a relatively timely way. However, the consequent impact on child poverty levels may be subject to a time lag, both in the impact and, even more so, in the availability of statistical evidence as to their effectiveness.

To help with the latter issue, OFMDFM has provided some resources to Departments by way of assistance from the Centre for Excellence and Outcomes in Children in Young People's Services (C4EO), in conjunction with the National Children's Bureau, which will allow them to develop clearer measurements of the correlation between the actions that they are taking and their impact on child poverty. We hope that the models for each Department will be developed by March 2013, and that some results will become available soon thereafter.

By comparison, those who have read the report to the Scottish Parliament on the first year of the Scottish Executive's Strategy will have seen a similar explanation of the need to develop accurate monitoring arrangements. The report to the Scottish Parliament made it clear that it saw the wider fiscal and economic situation as having a major impact on the prospects for success in reducing the rate of child poverty. Although some of the Scottish Government's views may have pointed to their wider disenchantment with the limitations of the devolved settlement there, they also highlighted issues that will impact on efforts here, but which are governed by the coalition Government at Westminster.

The Executive's child poverty strategy emphasises the importance of reducing worklessness among adults with children and the need to promote longer-term impacts through child-based interventions designed to tackle the cyclical nature of child poverty. Consequently, the report that the Executive laid on 6 June reflects on positive changes that have been brought about by good work across Departments to improve educational outcomes, especially literacy and numeracy; to improve health outcomes, especially for preschool children and their parents; and other measures designed to reduce household outgoings, thereby providing a more equitable basis for children to access services and provision that those not in poverty take for granted.

Clearly, there are other areas in which Departments are working to bring forward further progress. In OFMDFM, the childcare strategy is particularly pressing. The Committee will be following the developments closely as that draft strategy is prepared for issue. In other Departments, the new focus on joined-up working, through the delivering social change framework, will mean that new initiatives will integrate best practice and programme innovation against a range of measurement tools that will seek to identify the value of actions against required outcomes measured for child poverty.

This is new and challenging work. It will take some time to realise the benefits, and perhaps slightly longer for those benefits to be manifested in statistical reports. Nevertheless, the foundation work that has been completed over the past year, set against the research evidence that has shaped the strategy and the delivery framework, suggests that the work in hand presents a positive picture of what will be achieved in the coming period. I am happy to take questions on the strategy and the annual report, and I thank you for providing this opportunity to do so.

The Chairperson: Joe, thank you very much. Do you accept that, not necessarily for reasons under your control, the numbers affected by child poverty, like fuel poverty, are going the wrong way?

Mr Reynolds: I am sorry; I did not hear the question.

The Chairperson: Do you accept that the child poverty numbers, the same as those for fuel poverty, are going the wrong way? I am not saying that it is because of factors under your control; but, nevertheless, the direction of travel is not what you want.

Mr Reynolds: A revision to statistics produced by the Department for Social Development at the end of last week suggested that the measurements set out in the Act have moved in a positive direction. There is a variety of reasons, not all of which are positive, as to why those statistics changed. There is a danger in looking at only the statistics, because different people have used different models, and the Act puts down a requirement that measurements take place against four standards. Different people have used other standards, and they have produced different results.

There is a danger in looking just at the statistics and making a numerical assessment. The statistics are changing, and there are different factors, some of which are positive and some probably not. We can project what the impact will be over a period of time, and the profile and suggestions show that they are more likely to go in a negative direction than otherwise. That is why the actions that the Ministers have set out in the work that we are doing through Delivering Social Change are designed to impact on that. Some of that impact will take some time to have effect because the factors that generate poverty impact on children, and children who grow up in poverty are more likely, in turn, to become the parents of children in poverty. It may take a generation or more to change that.

The Chairperson: It would be remiss of me not to ask you about the delay in laying the report, because that exercised this Committee for months. Can you give us a definitive answer on what the blockage was and why it was delayed so long?

Mr Reynolds: When the junior Ministers appeared before the Committee, they explained that their focus in the latter part of the year had been on the review, on developing the Delivering Social Change framework and on talking to Ministers across all Departments about developing a joined-up approach. That was the priority, and, therefore, unfortunately, we missed the deadline that had been set for the delivery of the report. However, we produced it quickly thereafter.

The Chairperson: Are you saying that the delay was down to the junior Ministers deciding to do things a little differently rather than the fact that you had to liaise with and assimilate information from other Departments?

Mr Reynolds: We had to do both.

The Chairperson: Was the delay down to both those factors or just one?

Mr Reynolds: The delay came about because we were trying to get a lot of work done at the same time, and, when we produced the report, it required inputs from other Departments. By the time we assimilated that, put the report back together again and put it before the Executive, other things, such as the Easter recess, intervened. When we got clearance on that, we were able to publish the report.

The Chairperson: Do you think that you will be on time next year?

Mr Reynolds: That is certainly our intention.

The Chairperson: Do you think that you will be on time next year?

Mr Reynolds: That is what we are working towards.

Mr Eastwood: I have a couple of simple questions. The targets are legally binding, is that right?

Mr Reynolds: Yes.

Mr Eastwood: Do you think that we will reach them by 2020?

Mr Reynolds: As the junior Ministers explained when they were here in May, we have tried to take account of factors, not all of which are within the control of the Executive, and I referred to some of those in the opening remarks. The actions that we are taking offer the best prospect of achieving those targets.

Mr Eastwood: I do not want to go over the Chair's point again because we went through it for too long the last day. We cannot even get a report on time to this Committee, and it does not give me much confidence that we will hit our child poverty targets by 2020. You and the Ministers have talked about the macroeconomics around the world, but there is something a bit closer to home, namely welfare reform. What are you doing to mitigate the very real impact that everybody is telling us that welfare reform will have on child poverty specifically?

Mr Reynolds: As you know, an Executive subcommittee is looking at that issue. The responsibility for bringing forward proposals in respect of welfare reform rests with the Department for Social Development.

Mr Eastwood: This issue is going to impact across society and, I would argue, across every Department. I do not think it is fair just to say that it is an issue for the Department for Social Development. From your perspective, what is OFMDFM doing to mitigate the impact of welfare reform?

Mr Reynolds: I explained to you what we are proposing to do through the Delivering Social Change framework. I have explained that there is a ministerial subcommittee, which involves Ministers from all parties looking at those proposals. The proposals will come forward from the Department for Social Development, not my Department. Therefore, it would be inappropriate for me to comment on something for which another Department is responsible. OFMDFM has brought forward initiatives such as the social investment fund and the social protection fund. The latter was brought forward to address issues that would arise due to questions around the global economic situation and the potential for —

Mr Eastwood: Was it not spent on fuel poverty?

Mr Reynolds: Last year, it was spent on that issue. I do not think that any decision has been made about how it will be spent this year or in future years.

Mr Eastwood: And nothing has been spent so far from the social investment fund? Nothing that has delivered on the ground anyway.

Mr Reynolds: Progress has been made in identifying the zones. It is not my area of specialism. I am not particularly au fait with that issue. An initiative is taking place. It has taken some time to get the point at which we have identified the zones. A mechanism is being brought forward for delivering on that.

The social protection fund was an initiative for which £20 million a year was identified. Last year, it was used in a particular way. This year, we have to look again at the ways in which that is going to be used and how it could have maximum effect around the sort of issues you have referred to.

Mr Eastwood: Do you think that it will be spent?

Mr Reynolds: Do I think it will be spent? Ministers will want to look closely at the proposals that come from the various Departments and at ways of spending that money most effectively.

Mr Eastwood: I know that it is not specifically your role, but do you have any idea as to when the ministerial subgroup on welfare reform will report?

Mr Reynolds: I am not dodging the question, but the responsibility for making progress with welfare reform proposals rests with the Minister for Social Development. The subgroup will report to him. He will then take that forward through the Assembly.

Mr Eastwood: Mention is made in the report of the freezing of rates. Explain to me how exactly that affects child poverty. It is my experience that most homes in poverty are exempt from paying rates.

Mr Reynolds: The point being made was a more general point. The focus that Ministers want to bring to bear on this issue is that we are trying to create a situation where, for households with children living in poverty, we are attempting to increase the finances going into that household and reduce the necessary outgoings that every household has to bear. There are a range of measures to do that, around rates, free school meals, school uniform supplements and so on. We are trying to increase the finances going into households and reduce the outgoings.

Mr Eastwood: I understand free school meals and uniform supplements. I just do not get the rates freeze. It is thrown out all the time. It helps a lot of people, but I do not understand how it makes an impact on child poverty.

Mr Reynolds: One of the issues we touched on when bringing the strategy before the Committee last year was the fact that a significant proportion of poverty is not just in the homes of people where there is no employment but can actually be in homes where people are on low pay. We have to look at the diversity of circumstances and the range of people impacted. Some of them may find themselves in circumstances where rates are an issue.

Mr Eastwood: Do you know how many?

Mr Reynolds: I do not have those statistics available, but I am happy to go back and see whether I can find them.

Mr Molloy: Thank you very much for your presentation. I have looked over some of the measures that have been taken. Following on from Colum's point, sometimes the knock-on effect of these things is that they keep jobs or businesses going.

I note it says that water charges will continue to be subsidised payments. I think that gives the wrong impression. Water is already paid for through people's rates. To take on the role of subsidising the payment is a bit disingenuous to the people who are paying all the time. Besides that, the different measures that have been taken by OFMDFM to alleviate poverty have been good and beneficial. With the introduction of the so-called welfare reform, can you see the target for removing child poverty completely being met? The harsh measures that welfare reform will bring about will probably drive more people into poverty.

Mr Reynolds: The intention behind some welfare reform proposals is to incentivise people going into work. In the strategy, we say that the key route to take people out of poverty is to improve incomes for families, and the best way to achieve that is to get people into work that pays. As I said in my answer to Mr Eastwood, there is still a level of poverty among people who are in work, but they need that work to pay them more than it does. Through a range of measures, and the work that the ministerial subcommittee is undertaking on welfare reform, we propose to look at the issues to see how the catalogue of measures that can be taken and the mitigations that can be brought to bear will help to ensure that people have the incentive to move into work and that that work pays. As a result, their family circumstances will improve and their children will move out of poverty.

Mr Molloy: I understand that, but when jobs are not available, then driving people off benefits will not work. It is fair if the jobs are there, as it gives people an opportunity. This brings in the need for a cross-departmental role for the Executive. That will ensure that planning permissions are granted to get business going and will allow people to ensure that welfare matches. There is no point driving people off benefits if that drives them into more poverty. We should be encouraging and developing strategies across Departments, and, perhaps, using things such as the social development fund to create jobs. If we take people off benefits, we should use the social development fund to create jobs or to fund training for jobs. That is one area that we need to look at.

Mr Reynolds: I think that that is a very valuable point. When the junior Ministers were before the Committee last month, one of the actions they suggested was for the Committee to speak to the other Committees and to ask them to talk to their Departments about their responsibilities.

We have been looking at that area through the bilateral discussions that Ministers have been having. We asked Departments what actions they have been taking within their remits, so that those will have a knock-on effect. In my opening remarks, I referred to our work to develop a model to map the correlation between the actions that are taken by individual Departments. Whereas, in the past, they may not have specifically measured the impact of their work on child poverty, we are helping them to develop some tools so that they are better able to do that.

Mr Lyttle: I am loath to go through process again. I know that it has been raised, and we will hear from the Child Poverty Alliance afterwards. The Child Poverty Alliance raised concerns about the two-month delay and the written format of the report rather than an oral presentation to the Assembly. I mean no disrespect to the official, but that lack of ministerial presentation amounts to a contemptuous attitude towards the Committee and the Assembly. It would be good to hear thoughts on that.

I have concerns about the key actions that have been presented, such as the rates freeze and free prescriptions, which many of the most vulnerable are exempt from anyway. There also does not seem to be any mention of an action plan, many of the actions that are pointed to, such as the childcare strategy and the social investment fund, are still pending and there seems to be little in the way of

substantive proposals or programmes to tackle health and education inequalities. There is also little analysis of things such as community schools, and I am still confused about Delivering Social Change. Will you speak to the accusation that the Department has demonstrated a contemptuous attitude? Will you also detail what the key actions are to tackle child poverty and elaborate on what exactly Delivering Social Change is or means?

Mr Reynolds: On the first issue, the report was delivered under the cover of a written ministerial statement, and I think that that is a procedurally correct mechanism. If that is not the case, it is not for an official to answer. Rather it is a matter for the Assembly authorities and the procedural proprieties that are observed in this institution. I do not think that it would be appropriate for officials to be involved in that analysis or exercise.

So far as the actions being taken under Delivering Social Change are concerned; last summer, Ministers presented the stakeholder forum with a range of something like 170 actions that were being taken across Departments, which Departments argued would have an impact on child poverty. What Departments did not have were the tools to measure precisely, in statistical terms, what impact each of those actions would have on reducing child poverty. We have provided them with some assistance to try to help them with that process.

What Ministers presented to the forum, and what the forum agreed with them on, was that, rather than recount all of those individual actions which fell within the remit of individual Departments, the way forward would be better shaped through cross-cutting, integrated actions across Departments.

The delivery and social change framework allows Departments an opportunity to identify what those cross-cutting actions might be, to manage them into being and bring forward actions that make a difference. We are doing that. We have the stakeholder event next week, where they will be involved in the delivery and social change framework, identifying what those actions are across Departments, how they can be taken forward and how we can measure their impact.

Mr Lyttle: It would have been nice to see some sort of substantive reference to exactly what they are in the report.

Mr Reynolds: The report is a report on what has happened, not on what is going to happen. It is a requirement of the Act that it reports on actions over the past period, not the future period.

The Chairperson: So, is there an action plan?

Mr Reynolds: I think that the Ministers indicated when they came to you last month that they proposed to bring forward a series of initiatives under the delivery and social change framework.

The Chairperson: And that, in my simple mind, could be called an action plan, could it, Joe?

Mr Reynolds: I am not sure what title they propose to give it.

The Chairperson: You seem very defensive, if you do not mind me saying so.

Mr Reynolds: I will not be giving it a title. I am not responsible for that aspect of it. If you wish to call it an action plan it is your right to do so.

Mr Kinahan: I want to follow up on what you were asking, Chair. When this matter was last at the Committee and when it came up in the Chamber, I struggled with the Assembly often using the word action, when, actually, it seems to be strategies. We get a long list of strategies that Departments are doing, but we do not actually get a long list of actions. Actions are putting new windows in 500 houses or creating 300 jobs.

I just feel that there is a great gap between what is in the strategies and getting a list of the things that need to be done; which is, talking to businesses about what jobs they are going to create and who is going to go to America to negotiate with a company and get 300 jobs, which will increase to 500, and then you tick off that action. That is how we see what we are achieving. It is not just you; it is everything that we do in this building. I look forward to seeing a list of actions. I know that the Ministers have said that we do not need to know them, but that is what we want to see.

Mr Reynolds: As I said in response to Mr Molloy's point, I think that the Committee may want to consider asking other Committees of the Assembly about their relationship with their Departments. We have held a series of bilateral discussions at an official level and Ministers have also held bilateral discussions with their ministerial counterparts to look at what actions are taking place in individual Departments. One of the issues we face — which you referred to, and I think it is entirely right — is that actions were being proposed within Departments that fall within the ambit of that individual Department and are not cross-cutting. They were being suggested to us as actions that were being taken with the expectation that they would reduce child poverty. We could not see what that correlation was and, most importantly, we could not see how they would measure the outcome of their actions and their impact on the number of children in poverty. We have provided them with the resources to help them to deliver those measurement tools. We are hoping that those outcome models will be in place by spring of next year. Then we will be able to see, in statistical terms, the results of the actions that Departments have reported to us and, no doubt, have reported separately to each of their departmental Committees — what they are doing and what effect it has.

What we have talked about here, and what I have suggested in response to Mr Lyttle, is that, in addition to that, outside of what actions individual Departments take, it seems that there is a requirement to develop an additional series of initiatives that are cross-departmental. The Chairman refers to it as an action plan. There are additional actions that are cross-cutting, cross-disciplinary and cross-departmental, and they will have an impact on reducing child poverty. They will be on issues such as the relationship between childhood nutrition and educational outcomes, and the mental health of parents, especially mothers of young children.

The question is how we bring an action forward that crosses that, and says that, while mental health is clearly an issue for the Department of Health, Social Services and Public Safety, it also has an impact on a child's ability in school and its capacity to access all the opportunities available there. What actions do we take to make sure that there is a joined-up approach to that? We are talking about those issues through the Delivering Social Change programme board, and we intend to bring those actions forward. If there is a catalogue of them and you want it to be titled as an "action plan", that is fine, and I do not have an objection to that.

Mr Kinahan: I feel that we end up with strategies, not actions.

Mr Reynolds: To identify what those actions might be on a cross-cutting basis, they have put in place the Delivering Social Change framework, and we want to identify those actions and how to move them forward.

The Chairperson: When the junior Ministers were with us, Ms Anderson said:

"We are developing programmes, and I thought that I gave you a clear indication about the unprecedented work that we have been doing over the past year to address the needs of the 122,000 children who are in poverty. A wide range of work and projects are being discussed".

In annex 1 of the report that was laid at the end of May, there are over two dozen bullet points on Programme for Government commitments that directly or indirectly impact on child poverty. What about Programme for Government delivery plans? Are you working on those or do you know if they are being worked on?

Mr Reynolds: I am not personally working directly on that. I am aware that work is under way on that. I am not best placed to give answers on that.

The Chairperson: If I were living in poverty and working — and you make the valid point that you can be working and still be in poverty — and I was watching this session on the internet, I do not think that I would be impressed. I am getting a sense of frustration from members at the lack of information. I am not saying that that is your fault, because you are able to, rightly, say, "That is for another Department or another division in my Department", but it does not seem to me that this is a particularly satisfactory session.

Mr Reynolds: You asked me to give a briefing on the report that we produced on the basis of the first year's work on the child poverty strategy. A substantial volume of information is contained in that, and I am not sure what other specific information you are asking for. One question was about data that might be sought. However, if you want to know about actions, I have suggested that the Delivering Social Change work is ongoing, and we are continuing to consult a range of stakeholders about the

specific actions that people want and how we bring those forward and deliver on them. I am not sure what other information you would have expected to receive in a session such as this about a report on last year's work.

The Chairperson: It has been reflected in the questioning.

Mr A Maskey: One difficulty is that there is a lot of information and a lot of strands to it. The work is ongoing, and the report was laid very recently, albeit late. Nevertheless, we have flogged that issue. We now have the report and the commitment, and we need to continue to keep a very clear focus on delivering that, whether it is an action plan or a delivery implementation plan. We need those because, somewhere along the line, we need to start ticking the boxes to show whether they have been done or not done. We need measurements, and I appreciate the way in which Joe has tried to outline that.

It is a complicated area of work and is a bit like fuel poverty in that some of the titles are nearly a misnomer. I understand the ins and outs of fuel poverty, and there is a fair bit of work involved in that, but how do you define somebody's situation simply as "fuel poverty"? It is a bit difficult, because if you are poor, you are poor. You either eat or heat or whatever. So, these things are all very much interconnected. I understand entirely the concept of child poverty. What we all want is some measurable progress on improving the levels of fuel poverty that exist in our society, which, many people say, are getting worse, and which are likely to get worse under this welfare agenda. I suppose that, somewhere along the line, we will be looking for an outline to show that work is going on as we speak.

By the way, I do not accept that Martina Anderson and Jonathan Bell have been contemptuous of this Committee. People said that earlier. I do not want to get into a whole debate. I do not think it good enough that the report was held back in the way that it was. I do not accept for a second that those individuals are contemptuous. Far from it. I just want to make that point.

The Chairperson: Point made.

Joe, you have agreed to come back with some stats for Colum Eastwood. As you know, we are about to hear from the Child Poverty Alliance. Has the Department consulted with that organisation?

Mr Reynolds: I was with the Child Poverty Alliance on Friday last week. I have been with the organisation on various occasions over the past 18 months or so in the development of the strategy and the way in which we have taken that forward. I have provided the alliance with the information that we have provided to the wider stakeholder forum.

The Chairperson: Thank you very much, Joe.