



Northern Ireland  
Assembly

**Public Accounts Committee**

**OFFICIAL REPORT  
(Hansard)**

**Inquiry into Uptake of Benefits by  
Pensioners**

**7 March 2012**

# NORTHERN IRELAND ASSEMBLY

## Public Accounts Committee

### Inquiry into Uptake of Benefits by Pensioners

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

Mr Paul Maskey (Chairperson)  
Mr Joe Byrne (Deputy Chairperson)  
Mr Sydney Anderson  
Mr Michael Copeland  
Mr John Dallat  
Mr Paul Girvan  
Mr Ross Hussey  
Mr Mitchel McLaughlin  
Mr Adrian McQuillan

**Witnesses:**

Mr Brian Doherty	Department for Social Development
Mr Will Haire	Department for Social Development
Mr John Wilkinson	Land and Property Services
Dr John McPeake	Northern Ireland Housing Executive
Mr Tommy O'Reilly	Social Security Agency

**Also in attendance:**

Mr Kieran Donnelly	Comptroller and Auditor General
Ms Fiona Hamill	Treasury Officer of Accounts

**The Chairperson:** I welcome Mr Kieran Donnelly, the Comptroller and Auditor General, who is here with his audit team, and Ms Fiona Hamill, the Treasury Officer of Accounts. We are considering an important topic, which is the report of the Comptroller and Auditor General (C&AG) on paying vulnerable people in society the benefits to which they are entitled. We all agree that, in the current economic climate, that is a fundamental requirement. It is estimated that one in five pensioners is living in poverty. Failing to pay pensioners their benefit entitlement, therefore, creates real hardships for that client group.

Do any members wish to declare an interest at this stage?

**Mr McLaughlin:** Yes, as a member of the older community.

**The Chairperson:** As a pensioner?

**Mr McLaughlin:** I am very interested.

**The Chairperson:** You are not there yet.

**Mr McLaughlin:** I am getting there. I am on my way.

**Mr S Anderson:** We are all on our way.

**The Chairperson:** OK. I welcome Mr Will Haire, the Department for Social Development's (DSD) accounting officer, who is here to respond to the Committee. Perhaps you would introduce your team, Will.

**Mr Will Haire (Department for Social Development):** Thank you, Chairperson. In light of the interdepartmental and inter-organisational nature of this key subject, I am joined by Dr John McPeake, the chief executive of the Northern Ireland Housing Executive (NIHE), Mr John Wilkinson from Land and Property Services (LPS), Mr Tommy O'Reilly, who heads the Social Security Agency (SSA), which is DSD's main delivery agency and Mr Brian Doherty, who is responsible for, among many other things, making sure that benefit entitlement is rolled out effectively.

**The Chairperson:** OK. Thank you. I will try to set the context for the discussion with a number of questions, after which the meeting will be opened up to members.

In recent times, there has been a lot of talk about welfare reform. Will that have any consequences for pensioners' benefits, and, if so, what are they?

**Mr Haire:** I will ask Tommy to comment on that in more detail, but, in broad terms, the work being done on universal credit, the legislation for which will come before the Assembly, will not, in itself, directly impact on that group in any significant way. There is a longer-term issue with pensions, which is out for consultation. There was a White Paper some time ago, on which there was consultation, which looked at the potential for upgrading pensions generally: in essence, moving towards a single-tier pension here and absorbing the pension credit system into the state pension. We await the coalition Government bringing that forward. That is also a very significant issue.

**Mr Tommy O'Reilly (Social Security Agency):** As to the effect of the Welfare Reform Bill, most of the current benefits will remain as they are for pensioners. There are, however, a number of changes that will have an impact, the first one being housing benefit. Under the Welfare Reform Bill, housing benefit will be abolished, and, as a consequence, housing benefit for pensioners will change. Instead, they will receive a housing credit as part of their state pension credit. The current planned date for the move to the new regime is April 2014.

The Welfare Reform Bill will also introduce some minor changes, but there will be additional amounts for caring and severe disability awards for pensioners, and those will also appear in universal credit. It is important to stress that there will be no change because of the replacement of disability living allowance (DLA) with the personal independence payment. Pensioners will remain on DLA and will not be affected by the forthcoming changes.

Those are the major changes. The Pensions Bill going through the Assembly will bring further changes, and, as outlined, that will create a new single-tier regime.

**The Chairperson:** There will be some consequences, and that is why today's session about the uptake of benefits for pensioners is very important. We are trying to get that right and ensure the maximum uptake of benefits by pensioners.

Paragraph 1.2 of the report states that 23% of pensioners here live in poverty. That seems to be a lot higher than in other places. Twenty-three per cent of the overall population of pensionable age equates to somewhere in the region of 70,000 people, which is a very high number. Will you explain to what extent you think that pensioners not claiming benefits to which they are entitled contributes to poverty?

**Mr Haire:** The most recent figures that we have show that the figure of 23% has now come down to 19%, but that is higher than the GB figure of 16%, so that is an issue.—

**The Chairperson:** It still equates to over 60,000 of the population.

**Mr Haire:** Absolutely. Over the past decade, there has been a decrease in pensioner poverty, as measured by someone having an income of less than 60% of the median wage. However, it is still a very significant issue. You asked, Chair, how much of that is due to the lack of benefit take-up. We carry out a major family resources survey, but we do not believe that the resulting data is statistically sound enough to judge exactly how much of that is through the lack of uptake. The report suggests that we should consider putting more resource into that survey, but all our analysis indicates that that would not solve the problem.

Pro rata, our sample size in Northern Ireland is three times what it would be if we followed GB. We already put a fair amount of work into that, but it is inherently very difficult for such a survey to give an accurate figure. We are focusing much more of our resource on data sharing and other processes to try to get to pensioners in order to ensure their take-up of benefits. However, as the report indicates, we do not have a firm measure of exactly what the gap is. All we know is that we have been setting up a series of strategies since 2005 to try to reach out to pensioners, and we have had significant success in increasing the uptake year on year.

We have also had a wide range of programmes designed to make benefits more accessible, and we have worked with the independent sector to make sure that our systems are much clearer, and all of that has resulted in an increased uptake. In every year of our investment, we have invested over £3 million in that, which gives us a return of £11 more in benefit uptake for every £1 we invest, so we have good value for money for that investment. However, as the report indicates, there is no basis on which we can say exactly what the gap is. Remember, circumstances in this group change all the time, and no survey can give us a perfect match of exactly how big that gap will be. However, we are setting up work and have a group for that. The Joseph Rowntree Foundation, as you will know, has a strong record in that area, and the Institute for Social and Economic Research has agreed to join our researchers. Work will start in May to determine how they can use other data to try to give us a better handle on the issue.

I must admit that we are also quite hopeful that, with benefit reform, it will be possible for us to access Her Majesty's Revenue and Customs (HMRC) income data for the general population. With that data, we think that we might be able to use those methods to get a better handle on the issue. However, the survey method will not improve our position.

**The Chairperson:** You mentioned a survey. The report looks at a survey that was carried out in 2004-06. Are those surveys still carried out today?

**Mr Haire:** That survey is carried out regularly. The most recent one has, certainly, been carried out since then. We have a sample size of 3,600, get a fairly high uptake on interviews, and it takes us around a year to conduct an analysis of that process. We can give you the most recent data on that.

**The Chairperson:** We appreciate that. Thank you.

Figure 1 on page 9 represents a disturbing picture of differential poverty rates. Is that a true picture? I ask that because we have seen recent figures that you gave to the Committee. How much credibility to you place on those figures, given that Banbridge, for example, had, according to the report, 50% of pensioners in poverty? The next set of figures that you gave us suggest that the rate has dropped to 38%. As a Committee, can we place any reliance at all on the estimates that you gave us?

**Mr Haire:** The difficulty is that there are issues with quite small sample sizes. That is why our statisticians say that it is more important for a survey to provide relative positions but that you cannot place reliance on whether the rate is 50% or 38%. There is an issue here that, in certain rural areas, such as Banbridge, there seems to be a consistently higher level proportionately. Remember that the population of the Banbridge District Council area is relatively small compared with that of Belfast, for example. Although the Belfast level looks lower, the numbers are much greater. Therefore, you have to read the statistics with care.

We have used and still use that survey to try to get our targeting right and get out there. Therefore, the early work in some of our targeted campaigns was to look at those council areas where we thought that there was low uptake. However, as you suggested, Chairman, caution must be exercised when looking at those statistics because they are based on a relatively small sample size.

**The Chairperson:** The figures are very important to, for example, elected representatives and to Departments when taking forward initiatives. Therefore, a much more scientific approach must be taken to getting exact or much more accurate figures. Instead of 50%, the real figure in Banbridge could be 38%, but we are not sure whether even that is correct. Further steps must be taken to ensure that the figures are much more accurate.

**Mr Haire:** The key issue is that we have a very large overall sample size. However, when we start to get down to the detailed issues in sub-areas of Northern Ireland, the sample size will never be able to give you the same quality of data. We have to accept that they give us broad ranges. That is the statistical reality. Even if we carried out a mass survey — for every thousand people we add, it costs us another £100,000 — such surveys are quite difficult because they require getting a lot of data from individuals. It takes an hour and a half for a household to fill in the survey because of the quality of data that it goes into. Therefore, it is always very difficult to get a handle on that process. The point that I was also making, Chairman, is that if and when we get hold of HMRC data and certain other data, we may be able to get better models.

**The Chairperson:** OK. We can move to paragraph 1.17, which relates to a 2008 Public Accounts Committee report. The Department gave an undertaking to the Committee:

*"future counter-fraud publicity campaigns would be designed in such a way as not to discourage the uptake of benefits, particularly by older people."*

Will you tell us how you designed subsequent counter-fraud campaigns to meet that commitment?

**Mr Haire:** When we look at counter-fraud and other issues, it is as much about making sure that we detect any underpayments in our system. We have spent considerable resources checking that those are right. As you will know, the benefit system here is complex, and DSD has many decision-makers and others checking those systems. We have spent about £10 million in the intervening period on making sure that we are getting those payments right and increasing payments to pensioners and others. That is a very important point that we want to make to people. The fraud aspect is one side of it, but as much in our minds is detecting the errors in our system, or decisions that have gone against people when they should have gone the other way, to make sure that the money gets to people. Tommy will talk more about fraud.

**Mr O'Reilly:** Since the recommendations of that report, we have not carried out any counter-fraud activity that would put off pensioners. As Will said, we have spent about £10 million over the past five years reassessing every state pension credit record in Northern Ireland to ensure that all benefits have been paid correctly. That work has resulted in the detection of significant numbers of underpayments and reparation being made to pensioners. At the same time, we spent £2.9 million on specific benefit uptake work with pensioners. Therefore, both fraud and error are important to us.

We have ceased all counter-fraud activity against pensioners. We now believe that the levels of that fraud in the benefit system are very low, which is why, in recent years, the Audit Office has excluded state pension and state pension credit from the qualification of the SSA's accounts. On the basis of the work that we have been doing, it also recognised that the levels of fraud are very small. Therefore, there is no counter-fraud activity taking place. However, we have spent significant money to try to correct errors and ensure that pensioners receive the correct amount of money to which they are entitled.

**Mr Haire:** If I remember rightly, pensioner fraud is 1% of the entire fraud. In any work that we have ever done, that group accounted for a tiny amount.

**The Chairperson:** I will give you an example of a case in my constituency. I will be brief, because I do not want to hold up the meeting. On Sunday, an 87-year-old pensioner rapped my door. His son, who

had been a chronic alcoholic, died about seven years ago. The pensioner received £30 a week carer's allowance, and that continued after his son's death. This is an 87-year-old man who becomes confused when he receives complex forms — I have an 83-year-old mother, and, every time she gets a form to fill in, it panics the life out of her because those forms are very complicated. Over the past number of years, that individual had been getting £30 extra a week. Last year, they caught on to the fact that he was still getting the money and stopped his payments. Last week, however, he received a letter saying that he now owes more than £10,000. The man had a heart attack only a matter weeks ago, and, on Sunday, he was at my door, petrified about what his life would be like in the months and years ahead. He does not know where to turn and is left with a bill of £10,000. There might be other issues involved, and, had someone else filled in the form for him, the error might have been caught. Surely, however, the Department must take some responsibility for not catching on to an error for seven years or more.

**Mr O'Reilly:** We are very happy to have a look at individual cases, and there is a process in place for such cases to go through a review mechanism. If you want to send us details of the case, we will make sure that a review is carried out. We will try to make sure that it is looked into properly and come back to you.

**The Chairperson:** OK, I appreciate that. I do not like talking about individual cases, but that man came to me only last weekend. However, that is just one example. Other examples, which other members will touch on later, work the opposite way.

**Mr Hussey:** Good afternoon. Paragraph 2.1 of the C&AG's report sets out the responsibilities of departmental bodies involved in providing funding to pensioners. Does a place the size of Northern Ireland really need three separate bodies to administer benefits? Could service delivery not be changed so that one government body has responsibility for administering all pensioners' benefits on behalf of the various agencies?

**Mr Haire:** That is a very interesting point. The incoming universal credit for the working age population and the fact that we will bring many additional elements into the system, such as the housing benefit currently administered by the Housing Executive, will, inevitably, throw up the question of how we generally deal with benefits in this process. Clearly, that is, in part, a political decision, in part. Let us take John Wilkinson's area of LPS, which fits into the rates system. That is connected through that system and the logic of its process, so it is most cheaply administered through that process. Obviously, we are coming to a stage at which we can ask ourselves what is most administratively sensible and whether we can we make it easier for the public to understand the process.

At this stage, before any of those decisions are made, we are trying to make processes work so that we connect across our organisation. The most classic example is applying for a pension. Now, most of the application process is by phone. Often, we process people's pensions on the phone, and it is a very quick exercise that takes, I think, about 11 minutes. Then, we check out which people need state pension credits. As the system in which we do that is connected, we get a much better uptake of state pension credit. We are then able to check whether housing benefit or rate relief is needed. We can either hand people over, through the telephonist system, to those organisations or start filling out the forms. Increasingly, therefore, a pensioner coming to us anew receives a fairly seamless service. You are right to ask whether, in the long term, a single organisation would suffice. Those are the sorts of challenges that we need to look at.

Currently, three organisations are involved. This autumn, we will work on determining whether we can combine a strategy to make the benefit uptake process much more proactive and connected. We will examine whether we can learn from all our experiences to build a more coherent process, accepting the different organisations that are currently involved. Those are the challenges that we need to address, because the public sees us as one part of government. That is logical — they just want a service. Obviously, there are complexities, but our job is to make sure that the system and process are as seamless and straightforward as we can make them.

I want to go back to the remarks made by the Chairman. We are already working on a process to be used in the case of a death. As far as possible, we want one telephone call into our system to alert those administering all the different benefits. Certainly, we are trying to achieve that within our system. At the time of a death, the last thing that people want is to have to ring round lots of different parts of government. Some electronic means of doing that would be of great benefit to the public.

**Mr O'Reilly:** We currently work with the Department of Finance and Personnel (DFP). It is a legal requirement to register a death with a registrar of births and deaths. We try to get that file from DFP weekly. We then go into all of a deceased individual's benefits electronically and try to terminate them at that point. At the same time, we contact the family by telephone, in writing or by sending a form to ensure that they are getting their entitlement, whether through bereavement grants or bereavement benefit. That avoids the trauma of potential overpayments simply because someone has not notified a particular agency, while ensuring that individual families receive any benefit to which they are entitled.

**Mr Hussey:** You must also ensure that no agency writes to a dead person. We often hear of letters being addressed to someone who has died, even when the agency involved has been informed of the death.

I want to support what the Chairman said. At the weekend, I met a constituent who has received overpayments totalling £36,000. However, he is convinced that he advised the relevant agencies of his situation at various times. It helps when all bodies work together like a jigsaw. However, when that jigsaw falls to pieces, unfortunately, someone's life falls to pieces with it.

It is clear from paragraph 2.5 that your uptake estimates contain a number of weaknesses. Even allowing for those, the figures are startling. In the worst case, some £200 million of benefits may be unclaimed by pensioners. What is your view on that?

**Mr Haire:** We worked on those estimates for some time. However, we do not think that the basis for them is strong and have given up using them because they are too broad. Each year, when we carry out the family resources survey, a small number of people respond with evidence that they have under-claimed, but we have to extrapolate that to the wider population. I described how we are working with academics to determine whether we can get better data by using other bits of government data and other surveys to get a better handle on the absolute extent of under-claiming.

Another point is that we have major public campaigns every year, and we will keep doing so. At the moment, we have, for example, the Make the Call campaign, which has been in the press all the time. So far, that has produced, I think, just over 10,000 benefit check-ups. That campaign has been going very well and probably converts to 4,000 or 5,000 increases in pensioners' benefits. That level of change happens every year as a result of our different campaigns. A big campaign brings that return, and that is really important. There are 300,000 pensioners, so just over 1% receive an upgrade every year. That tells me that there are issues, that people's circumstances change and that it is really important that we continue that work. Does that give us some sense that under-claiming is not at the higher levels? The results give me some confidence that that is the case. As I said, we have been doing this consistently. Of the additional £38 million claimed through all our active benefit campaigns, about £30 million was for pensioners.

We also work the independent sector, which refers claimants to us. Estimates are a genuine problem, and I wish that we could get a better handle on those. That would leave me much better able to know exactly where I am. It is just a statistical problem to which there is no easy survey solution.

**Mr Hussey:** At a previous meeting, I pointed out that a problem with the Make the Call campaign is that older people do not like using the telephone. They do not like talking to strangers on the phone. Most older people are advised by younger relatives not to discuss their finances on the phone, so there is a conflict of interest. We all know that con artists target people who will automatically assume that a call is about their benefits. Before they know it, they have given half their life story to a complete stranger who then empties their bank account. So there are concerns about that aspect of the campaign.

**Mr Haire:** Yes. That is why we are trying to work with trusted third parties in the independent advice sector, and they help people with that process. I totally understand your point.

**Mr Brian Doherty (Department for Social Development):** There are, undoubtedly, issues with the telephone. That is why our benefit uptake campaign is looking at different mechanisms. We write to people. Pensioners who wish to do so — silver surfers as we call them — can go online to carry out their own benefit check. The Make the Call campaign ends at the end of this month, and, interestingly, our most recent figures show that about 13,000 people have contacted us. Of those, 40% have some entitlement to a benefit, not just a social security benefit.

**Mr McLaughlin:** Sorry, what was that figure?

**Mr B Doherty:** Around 40%. The rate of conversion to benefit is around 13%, which is higher than any targeted activity that we do. The campaign has been hugely successful. We were encouraged by Age NI's endorsement of the campaign. The Commissioner for Older People also featured on our advertisement, endorsing the campaign. She is a good advocate who, we hope, gives people confidence in the bona fides of the ad's phone number and in our using the details that they give to help them.

**Mr McQuillan:** I would like to put the issue into context. You say that there are 300,000 pensioners, and, according to the family resources survey detailed in paragraph 2.7, 50% of those pensioners are not getting the benefits to which they are entitled. What can you do to increase that rate? Of 300,000 people, 150,000 are not getting what they are entitled to, and you say that 13% of an uptake on one benefit is good. I do not think that it is.

**Mr O'Reilly:** It comes back to the same issue that Will outlined. All the figures that are being used are based on data from the Department for Social Development's family resources survey. A number of commentators are using that data to assert that different levels of benefit are being unclaimed, but the Audit Office report recognises the fact that there are statistical issues with that level of data and sample size. While that uncertainty remains, and until we find a way through it, the Social Security Agency and the Department are focused on trying to take some real practical measures to try to ensure that as many pensioners as possible have access to benefits through the types of channels that they want to use, including the telephone or through trusted parties such as Citizens Advice or Advice NI. This year, we launched innovation projects with voluntary and community sector organisations that are using different techniques, such as GP surgeries and faith-based organisations. We use a wide range of methods, because, at present, we cannot rely on the statistics, and we need to ensure that pensioners are getting access.

**Mr McQuillan:** Are you still using the family resources survey? I thought that Mr Haire said earlier that you were.

**Mr Haire:** We are not using it for the purposes of this matter, but we use it for much wider issues. It is the major survey on poverty in Northern Ireland.

**Mr McQuillan:** You do not use it for uptake of benefits by pensioners?

**Mr Haire:** No; in the detailed area of questioning for that subgroup, it does not give the required quality of data.

**Mr McQuillan:** What did you put in its place before doing away with it?

**Mr Haire:** We expanded the family resources survey in Northern Ireland so that, pro rata, it is three times larger than other areas. We cannot keep on doing that, because the statisticians say that, for this issue whereby we are trying to find out why people are not taking up particular benefits, the survey will not give reliable data. A particular and very complex question is being asked, and you will not get the response from that survey. Other areas are experiencing similar problems. In the area of poverty, the survey does not give that material. That was our conclusion.

From the report, it is evident that the range that we were being given from the survey was so broad that it was meaningless. So we spent a lot of time looking at how we data-match various pieces of information about people, and we put all our money into the process of trying to get that data to target pensioners to find out whether we can get to them and make them get a claim. As I said, out of that process of targeted work, an additional £30 million is being claimed by pensioners. We put in £3 million. The Department for Work and Pensions (DWP) in GB has now walked away from this area. It does not make that investment but gives data out to charities and other bodies. We invest in the issue because we know the importance that the Executive place on tackling poverty. We are now moving on to see whether we can get other data sets, particularly on family income through the HMRC database. We think that, by doing some work on those data sets, we might be able to get a better handle.

That is why we are going to work with the Joseph Rowntree Foundation and the Institute for Social and Economic Research to see whether they can give us tighter clarity on what it is about. Finding a figure is one thing, but, frankly, finding the people is more important to me. Even if we knew that the figure is 10%, the question would be of how to get to those 10%. That is where we have been spending our time. We have been trying different ranges of strategies and ways, some of which Brian described. We have considered whether there are different ways of designing our forms and different outreaches to try to get people to make the call or to fill in the forms. When I spoke about the way in which we are doing business, we are filling in forms for people and doing as much as we can. We are applying that alternative route.

**Dr John McPeake (Northern Ireland Housing Executive):** May I make a brief comment on housing benefit, Chair? The situation with housing benefit is slightly better because we are fortunate in that the Housing Executive is a major landlord as well as the administrator of the benefit. For example, in the Housing Executive, we have a round number of 87,000 tenants. Of those, 68,500, which is approximately 79%, are in receipt of housing benefit. That is the figure for the general population. As a landlord, we have details about our tenants, and we have 29,400 elderly tenants, of whom 25,500 are in receipt of housing benefit. That is 87%. So the uptake level among elderly Housing Executive tenants is a good bit higher than it is among the general population. We are also very lucky in that we know who those 3,900 or so elderly tenants who are not in receipt of housing benefit are and where they live, and we have an exercise in hand to contact those people on a sample basis. From that, we will, first, be able to provide a reliable estimate of the likely maximum eligibility level, which is one of the most difficult things to come to, and, secondly, we will have a targeted action to promote uptake in that group.

**Mr McQuillan:** It did not help when the Housing Executive took housing benefit out of the district offices and centralised it. It made it harder for us, as public representatives, to chase up a housing benefit problem for a constituent, because we have to go through to a different office that does not know the ins and outs of the local district office, which had it sorted in maybe half the time. The Housing Executive needs to streamline that a wee bit.

**The Chairperson:** I want to ask Mr Wilkinson about poverty. I got a letter, addressed to the Assembly, in the post today from Land and Property Services about benefit take-up and the LPS outreach programme. Is that a coincidence, or was it sent because you are here today? Am I just a sceptic?  
*[Laughter.]*

**Mr John Wilkinson (Land and Property Services):** I will be honest and say that I do not know anything about that, Chairman.

**The Chairperson:** That surprises me even more. You should know about it, because it is about benefit uptake, and you are up here to talk about that. So your officials are not even telling you, even though you are appearing as witnesses in front of us today. It is a good scheme and a good idea to get information out there. A full-time outreach officer goes into constituencies to explain the rates, yet some of the other agencies, such as the Social Security Agency, have stopped doing outreach work. When people contact the local offices, they are told that staff are no longer available to do that work. Some local community groups in my area were doing that annually, and the benefit uptake from pensioners increased. However, it has been stopped. So one agency has stopped while another one will introduce it from this week.

**Mr B Doherty:** I am slightly surprised at that because, during this year, we have undertaken 5,500 outreach visits; it is one of our most successful programmes. We have 20 dedicated outreach advisers located throughout the country, and, when people make the call, they can ask for a home visit, and we will undertake that. It is hugely popular. Indeed, I believe that some MLAs — possibly some people in this Chamber — have mobile phone numbers for our outreach officers and contact them directly. So I am surprised that you were given that information.

**The Chairperson:** In my constituency, a local community group checked it out and was told that people could not be supplied to do that event on a particular day. They were given a good bit of notice. I will get back to you on that.

**Mr Haire:** We have outreach officers in the SSA, and John McPeake described the connection with the Housing Executive. Those contact systems with John Wilkinson and his outreach team are really strong. As we look towards the joint strategy, we have been working together as organisations and co-ordinating a lot of opportunities. When we get anybody out there — to go back to Mr Hussey's point — the public just see us as government. Can we make sure that every visit that we make answers more questions on that process? How do we do that? Making that a more seamless process is the exciting challenge that we now have. We are committed to seeing how we can do that.

**Mr Copeland:** I want to return to something that John said that I trying to get right in my head. You gave some figures for pensioners who are in receipt of housing benefit and used those as an indicative figure for uptake. I think that you said that the uptake among that group was 87%. Were you referring to tenancies or tenants? There is a difference. In other words, were you referring to individual people or to properties that may have one or two pensioners in them?

**Dr McPeake:** It was tenancies.

**Mr Copeland:** That figure of 87% could be accurate if every property was occupied by one pensioner, but in properties in which there are couples, that percentage may be reduced.

**Dr McPeake:** The way that it works is that we allocate properties on a tenancy basis. Some of those tenancies are held in the name of one person and others in the name of two people. However, the benefit entitlement is based on the household, and you would not have two people receiving that benefit in one property. It would be a different matter if it was a house in multiple occupation (HMO). In the private rented market, some buildings are subdivided into a series of flats or self-contained accommodations, and one address may have several households and separate claimants. However, in Housing Executive properties, there is normally only one claimant in each property.

**Mr McQuillan:** Paragraph 2.13 sets out the consequences of not having sound benefit uptake estimates. You lack a firm evidence base for your strategy; you cannot benchmark, you cannot set meaningful targets, and you cannot properly measure impact. Do you accept that that is the case and that you must do more, and do it quickly, to get some robust evidence in that area?

**Mr Haire:** We have been absolutely clear that the key issue is the problem of obtaining the exact level of under-claiming. Like other jurisdictions, we have found it difficult to establish an accurate process for that. As the rest of the report demonstrates, we have carried out campaigns, and we measure the outcomes of those carefully. Therefore, I can tell you that, for every pound that I invest —

**Mr McQuillan:** You can measure outcomes, but you cannot measure before you get into those. You cannot measure what it starts off at.

**Mr Haire:** I readily admit that. I was explaining to you the ways in which we are trying to achieve that process and to get a better answer. I can, and we do, measure effectively what we are doing to try to narrow that gap, but I cannot get an accurate measurement of the size of the gap. It would be good if we could do that, and I hope that, in time, we will get a better handle on the process. That does not mean that the work that we are doing to narrow the gap is not carefully organised and well evaluated. We are committed to doing that and are keen to see how we can get the best return from the different

ways and means of doing that. We at least have the basis of good strategic work in that area. We are committed to trying to do that and to deliver it cost-effectively.

**Mr S Anderson:** Thank you for coming along today, gentlemen. Paragraph 1.14 states that the Audit Office recommended the collection of data on uptake rates nine years ago. Why are you no further on now than you were then? We can talk about percentages and what you consider to be good uptakes, and so on. I refer to figure 1 in the Audit Office report, which the Chair mentioned, and whether the percentages for Banbridge in my constituency were accurate. Have we made any progress in nine years?

**Mr Haire:** We have made progress. We have increased the sample size, done all the work on the family resources survey and proved that that will not work. We have stopped that and pointed out that it will not work statistically. Therefore, we have put our efforts into important data matching and to connecting the process so that we can better target where the people who are not claiming are likely to be and reach out to them. I can point you to the good work that has been done in the past seven or eight years, through which we are achieving those outcomes for you. We are now trying to see whether we can put together the data that we get from different parts of government to give us a slightly firmer idea not only of the size of the problem but, more importantly, of where the people who are not claiming are so that we can get to them. We have been putting all our resource into that area. The outcomes from those returns are encouraging. Brian referred to the fact that we get a 13% uptake from our more general calls. Early returns on the Make the Call campaign, for example, show a very high conversion rate, equivalent to anything that has happened in GB. We can demonstrate that we have put our resources where it is most cost-effective for them to be.

**Mr B Doherty:** It is fair to say that, when it comes to an individual's core benefit, the Social Security Agency and its partners do very well. By that I mean that, for an older person, the state pension is the starting point. We use our own data to target people. If we do not know people in our system at all, it is very difficult for us to target them.

We have found that a change of circumstances or a life-changing event makes the difference. Perhaps, as Tommy mentioned, there has been a family bereavement or someone who has a caring responsibility is unable to work. We are trying to capture that. A lot of our data is flawed and difficult for us to use. It relates to a moment in time rather than the continuum. We find that, with older people, there are changes over time. Our problem is to try to get at that, which is why our campaigns are based on benefits that we think people may not get. We screen people in or out. For instance, in early 2005-06, when we started our campaign, single females over 75 years of age were deemed to be in a very vulnerable group, so we wrote to them all. As time has gone by in doing those exercises, we have become more learned in how we should target people and about the benefits that they will not get, associated to their core benefit.

I suggest that we are strong on the core benefit. The issue is about contacting people regularly to ensure that, if their circumstances change, we can have some form of conversation that allows us to give them a full benefit assessment, which could be for disability living allowance (DLA) or attendance allowance; we also use a geographic exercise. It is about the continuum of changes in people's lives and how we can respond to those changes. It is great if people contact us, because we can then have a detailed conversation with them. I understand why people do not contact us, and that is when, in essence, we have to hunt them out using the information that we have.

**Mr S Anderson:** That is to be welcomed. However, can we say that, after nine years, it has been a slow process even to get to that stage?

**Mr B Doherty:** Those people are hard to get to, because there are a number of barriers to benefits, which are detailed in the report. Some people say that they have enough and do not want any further benefit. Some people feel that there is a stigma attached to getting benefit from us. Some people do not like to deal with government. Therefore, we have to use other methodologies. As we undertook our programme over the past nine years, we have tried our best to learn and to change our approaches to ensure that they get to the most vulnerable people.

You would be surprised at how many people whom we contact do not want us to do an assessment for them, even though we may have made multiple contacts with them. It is not a case of us annoying them by any means, but we may have written to them and are subsequently following that up. A number of people say that they do not want to be referred, even to Advice NI, which is an independent organisation, to have a benefit uptake assessment undertaken. That is very difficult for us.

**Mr S Anderson:** I take your point that there are people who find it difficult, or who do not wish, to make claims. My experience is that people in isolated rural areas are more laid back — maybe Ross would know about that. I deal with such people, and it is sometimes difficult to encourage them to come forward and claim their entitlements. We need to work to get to those people, because there are a number of them.

**Mr B Doherty:** Mr Anderson, you touched on a group that we are targeting. We work in partnership with colleagues in the Department of Agriculture and Rural Development (DARD), which makes the initial contact with people in rural areas. We will offer a benefit assessment to around 7,000 people through our outreach officers. We do not have the data, but DARD has the links because of its networks. I agree with you that it is a very difficult group to get at, although I will not go into the reasons why they are difficult to get at.

**Mr Hussey:** Sydney is obviously encouraging you to go to west Tyrone to sort the people there out first.

**Mr S Anderson:** OK, Ross, we will leave that one.

**Mr McLaughlin:** How determined are people to break through that personal resistance or reticence to engage? It is part of the human condition, and everybody can speak to it, yet we have people who are very vulnerable and need to have access to that entitlement. What is the nth degree to which we go? At what point do we break off and say that those people do not want to talk to us and accept as a statistic that there are people who do not get their entitlements?

**Mr B Doherty:** We are very determined in the first instance. I will give you an example. One project that we are undertaking this year is to contact 25,000 people and refer them to Advice NI. We are using our data and offering people an independent benefit assessment.

**Mr McLaughlin:** That is 25,000 people whom you believe are not getting —

**Mr B Doherty:** We are targeting based on some data that we have that suggests that they may be entitled to attendance allowance. It is a grouping, and we would sift them out to get —

**Mr McLaughlin:** It is intelligence-led.

**Mr B Doherty:** Yes. The initial response to our letters was probably around 18% to 20%, which is the norm. We have made 8,500 follow-up calls, and through those calls we might get some 2,000 to 2,500 who then say that they will agree to have their details passed to Advice NI. We would then probably make a further call or contact, but there does come a stage at which people get a little bit fed up with phone calls. The point has already been made that perhaps such people are not sure of the bona fides of the phone calls. There is a conversation, at which point we know that people have decided that they really do not want to go any further. However, they could feature in another programme further on down the line, perhaps in a year or 18 months' time. Our very experienced outreach officers do that, and they get a sense of when individuals have decided that they have had enough contact.

**Mr McLaughlin:** Thank you for that. John did his best to interrupt us.

**Mr Copeland:** Anyone in receipt of benefits has always, in my view, displayed a substantial reticence to go near the agency. There used to be a notion that things could not get any worse, but now I think that it is the case that things cannot get any better. In your experience, are there instances in which a pensioner approaches you and is found to be in receipt of too many benefits as opposed to too few, and consequently suffer — if that is the right word?

**Mr O'Reilly:** One issue that we learned over the past number of years, and one of the biggest areas for overpayments, has been with cases whereby pensioners, often through no fault of their own, have not notified us when they have been in receipt of occupational pensions. They have been in receipt of state pension credit, which, in a sense, signals that they are in poverty and need support, whereas in fact, they have not declared that they receive an occupational pension, which needs to be taken into account. Reviewing errors in the system has also thrown up a number of cases of people receiving overpayments. We have had to deal with that issue over the past number of years in as sensitive a way as possible, taking into account the fact that some people simply do not know. Other people have deliberately avoided that situation, but there are people who are simply unaware.

**Mr Copeland:** It comes back to error and fraud, and we have had discussions on the Social Development Committee. If the state has not been providing a benefit that should have been paid, it is backdated for a period of time. However, if a pensioner is found to be claiming something, rightly or wrongly, that he or she should not have been receiving, the responsibility seems to go back a substantially greater distance.

**Mr B Doherty:** We have no specific policy intention that it is one or the other. We try to look at each case and determine the appropriate situation. If someone has been receiving benefit incorrectly, but that has happened not through their fault or their doing but as a consequence of us not notifying them, we will clearly take those issues into account. On many occasions, we wipe off the overpayment, simply because it has been our error.

**Mr Copeland:** Forgive me, Tommy, I have one last point. I refer to specific, individual cases. People have come to me with letters that claim that they had been overpaid. The biggest sum I saw was a demand for £42,000. The person to whom that letter was sent, in their entire life, could never have comprehended, had access to or had an appreciation of the size of that amount of money. It leads, as the Chair said, to blind panic.

Do you have a trigger level? Let us say that you were about to send out a letter to a person of 85 years of age that states that he or she owes you £50,000. Is there a process by which the age of the person to whom the communication is going, and the scale and nature of the communication, is flagged up so that you can decide whether it may be better to explain it over the telephone or send someone to see him or her. Such a letter, coming through the letter box, to anyone in this Chamber would, with very few exceptions, fundamentally challenge the ability to function for several hours.

**Mr O'Reilly:** I cannot sit at this table and say that we are perfect, by any means, in handling customer services. I take the point. There is always an issue of balancing our responsibilities in handling public moneys and dealing with an individual, providing him or her with proper information on the source of the overpayment, how it has arisen and how it has been calculated. There is a lot of detail in that.

**Mr Copeland:** Also, how it is going to be repaid.

**Mr O'Reilly:** I take your point. That is a part of the discussion that needs to take place. It is not a matter of us coming along and saying, "You owe us £40,000. Please send a cheque to us by next week." It is a question of how we recover it.

**Mr Copeland:** There is, at this stage, no indicative process whereby, if a demand for over a certain amount is going to someone over a certain age, we need to take another look at it before we send it out?

**Mr B Doherty:** There is: our outreach officers. I welcome picking up the case of the 70- or 80-year-old constituent. With a vulnerable customer, when there has been a large overpayment, especially of the magnitude of which you spoke, the letter should have been hand delivered rather than dropped in the post. We need to work on that. It is not necessarily about benefit uptake, which is what our outreach officers are focused on, but we recognise that, in certain circumstances, we should go out to have a conversation with an individual to ensure that he or she hears what we have to say, to discuss the options, what next steps he or she needs to take as to how the process works and any repayment that may need to be made.

**Mr McLaughlin:** I suppose, if it came in the post, they could always deny that they received it.  
[Laughter.]

**Mr S Anderson:** I will move on and address this question to you, John. Paragraphs 2.16 to 2.18 suggest that LPS has difficulties in estimating uptake levels. Does your agency do anything to improve its evidence base? Does it work with other agencies to do so?

**Mr Wilkinson:** We are new to some of this work. For example, rate relief was introduced in 2007 and lone pensioner allowance in 2008. Lately, we have been sharing data and information with the SSA. In 2009, legislation was amended to enable that to happen. We have been looking at data modelling to improve our understanding of the target audiences and using it to develop our understanding of the percentage of uptakes and the improvements that we are making to the reliefs and benefits that we administer.

**Mr S Anderson:** You may be slightly deviating from the question. How much of LPS's resources are being devoted to that sort of exercise and how much into other LPS activities — we will not go into that today, John — picking up rates and that sort of thing. In targeting LPS resources, have you honed in on this issue to try to touch base with other agencies to overcome the problem?

**Mr Wilkinson:** Yes. Taking it from the ground, I have 77 or 80 staff involved in two teams. One team works predominantly on housing benefit and rate relief ; the other works on the lone pensioner allowance, disabled person's allowance and all the outreach work, leaflets and pamphlets, including, for example, those that the Chairman just showed us.

Part of the work of the managers in those teams is to liaise with other organisations. We do a lot of work with the SSA, for example, and are trying to learn from its greater experience and knowledge in those areas. We also work with the NIHE in some of our outreach work and run outreach events in partnership with some of the advice organisations. A schedule in my notes lists all the outreach work that took place over the past year. In doing that, again, we work constantly with all the advice organisations, so an awful lot is going on.

**Mr S Anderson:** When you say there is a lot going on in LPS, does that mean that you are happy with the resources that you are putting in, or could more be going on?

**Mr Wilkinson:** Yes, I am, and I am happy with some of the headline results for the improvements in uptake. We constantly monitor the amount of resource and the volume of receipts of new cases and amendments to existing cases. My teams use a resourcing model, which we constantly review. In fact, on the back of seeing monthly increases in the number of claims over the past couple of years, we are reviewing that at the moment. We are going through our business planning for 2012-13 and reviewing the amount of resource to make sure that we maintain a service in those areas.

**Mr S Anderson:** Paragraph 3.3 of the C&AG's report explains:

*"a range of legislation introduced since 1992 enables Northern Ireland benefit-paying agencies to share data for the purposes of maximising uptake".*

Paragraph 3.4, however, states that all the protocols necessary to enable data sharing were, at the time of writing, not agreed. How do you explain such major delays? Why were you not able to get protocols in place between two bodies under the authority of the same Department?

**Mr Haire:** I am glad to say that that protocol is now in place. I cannot remember the details of exactly why it took us so long, but I know that data has already been shared between the SSA and the Housing Executive.

**Dr McPeake:** Just before Christmas, for example, we took a data transfer from the SSA of 100 cases for a targeted promotional campaign. We now have a second request in with the agency. So we now have a model protocol that covers the exchange of information between us and the SSA. It seems to cover all the eventualities that we would need for the promotion of benefit uptake.

**Mr S Anderson:** I suppose that that is progress.

In paragraph 3-5, the C&AG recommends that every agency should commence data sharing and maintain records of how successful individual data-sharing exercises are in improving the uptake of benefits. Will each of you tell the Committee what data-sharing exercises they have undertaken and how they improved the uptake?

**Mr B Doherty:** John has already referred to some of those. However, I will detail four of the key exercises that we undertook. There have been details of social security customers aged 70 and over receiving pension credit through a "lone pensioner" flag, as we call it, provided to Land and Property Services. That increased its live load by about 15%. We also shared further details with Land and Property Services of those in receipt of state pension but not state pension credit. The outcome was that its rate relief live load increased by 39% from April 2009 to December 2011.

John mentioned one of our service level agreements with the Housing Executive. We carried out an exercise in which we provided details of customers getting housing benefit but not state pension credit. That resulted in something like £3.6 million of additional benefit going to customers. What is important is that the Department is a very big provider of information. Rather than getting information out, we probably have some of the strongest gateways. However, as already mentioned, that does not take away from the fact that there is more that we can do. We hope that, through certain elements of welfare reform —Tommy mentioned universal credit — we will receive Revenue and Customs information that will provide us with income levels. We must ensure that the legislation, which will go through the Assembly in due course, allows us to process benefits and undertake activity to increase benefit uptake.

**Mr S Anderson:** You mentioned our friends at HMRC. Have any of you approached HMRC about the possibility of data sharing?

**Mr O'Reilly:** We have had discussions with HMRC. However, at present, because that is a reserved matter, we require powers through Westminster for it to happen. That is now happening with the forthcoming Welfare Reform Bill, through which it will come into Northern Ireland.

**Mr Copeland:** I am not sure whether it was you who said it, Tommy, but at a recent Committee for Social Development meeting, a comment was made about the exchange of information between HMRC and the child maintenance and enforcement division, or child support. Apparently, it will have something in place by the latter part of the year. There were issues with people establishing limited companies, paying themselves the minimum wage and drawing directors' dividends and salaries to depress the amount on which their liability was based. Therefore, that must exist somewhere. I believe that it will come in during the middle of the year.

**Mr B Doherty:** The issue is more about the purpose for which the gateway can be used. It probably could be used in pursuit of absent parents to establish their incomes in order to determine their payments. However, I am saying that, under the legislation, you must state specifically —

**Mr Copeland:** — for what you want to use the information.

**Mr B Doherty:** Yes. Across government, we have gateways for fraud issues. There are good gateways that allow us to share data for that purpose. However, for activities such as benefit uptake, specific powers are needed.

**Mr Copeland:** Therefore, if you get particular information about an individual, you can use that only for the purposes for which you obtained it, but not for anything else?

**Mr O'Reilly:** Yes, that is one of the vagaries of data protection.

**Mr Copeland:** I understand that.

**The Chairperson:** I want to go back to Sydney's point about data sharing. Brian, you gave your point of view. Perhaps, we could hear from Tommy and the two Johns about what they have done with regard to data sharing.

**Mr O'Reilly:** Brian has responded on behalf of the agency.

**The Chairperson:** OK, we will hear from the two Johns, then.

**Dr McPeake:** Certainly. Brian gave an example in which we recently provided information at DSD's request. We provide a monthly update on our live caseload to the SSA. In turn, we now get information back from the agency in a number of circumstances. I have to say that the most recent exercise, which we did before Christmas, did not produce much of a return. However, we were not despondent, because it is a new opportunity for us, and we feel that there is an untapped market. Therefore, we will continue to repeat the exercise. That is why, as I said, we asked recently for a second tranche in a different location.

A data-sharing issue that is worth mentioning from our point of view is that as well as sharing information with other agencies — we have a close relationship with John Wilkinson — we also have to be careful to co-ordinate our various promotion activities so that we do not end up stepping on one another's toes. One of the other key things that we do when we exchange information is ensure that each of us uses it in a way that complements one another rather than stepping on one another's toes.

**Mr Wilkinson:** I will give one example. We have been running some Making a Difference events: the acronym is MAD. We have been working with councils throughout Northern Ireland. At present, we are running events with Belfast City Council. Those events are aimed primarily at older and vulnerable people who physically cannot attend some of the outreach events that we run. The aim, therefore, is to get people who work in the community to attend so that we can give them information, handouts, leaflets and training on the various benefits and reliefs that we administer. To support those events, we have, recently, been receiving downloads of data from SSA and looking at that with regard to data modelling and the various groups and targets in it. We have used that information to support the Making a Difference events and target those whom we think we will be interested in, and want to come to, them.

**The Chairperson:** Have either of your two organisations been in contact with Revenue and Customs about data sharing? If so, what was its response?

**Dr McPeake:** We have not had any direct contact with HMRC, but we are involved with the SSA in the introduction of the universal credit. Part of our plan involves connecting with HMRC data.

**The Chairperson:** And you, John?

**Mr Wilkinson:** It is very much the same with us. On that front, the liaison will take place through the interdepartmental working group, and the lead will be taken by the SSA.

**Mr Byrne:** I welcome the panel. Figure 9 on page 32 of the report reveals that only about 6,500, or 9%, of the approximately 72,000 pensioners contacted through your benefit uptake programme secured additional benefits. That seems to be a low return. I will put it another way: over 90% of those targeted did not secure additional benefit. Why is the successful claimant rate so low, and how have you changed the programme to improve it? Additionally, am I correct in saying that the independent advisory service has a greater success rate in reaching claimants than your Pensions Advisory Service?

**Mr Haire:** We validate our returns, but I do not know about the validation of the returns of the independent service, so I cannot comment on those.

**Mr B Doherty:** We validate all of our exercises, but we do not do that in a way that determines whether we or any of our partners are more successful. Importantly, we use a number of different routes and avenues to find the one with which targeted individuals are most comfortable. I mentioned the barriers to benefits earlier, and, as has been pointed out, some people do not wish to deal with government. We recognise that, and, as a result, the majority of our targeted exercises since 2005 have been

delivered through third-party organisations such as Advice NI, Citizens Advice or the innovation fund for increasing benefit uptake that we launched this year. Since 2005, five organisations have undertaken seven projects for us.

We undertake our own work on benefit uptake. So far this year, our 20 outreach officers have made 5,500 visits, and their visits have a very high rate of conversion to benefit. This is not about who is best; it is about offering different channels. The different channels into the agency include our telephony line; outreach officers; jobs and benefits offices or social security offices, if people still want to use those; and our trusted friends in the third sector, who add a further tier through which some people feel more comfortable engaging with us.

**Mr Haire:** I will go back to your original question, Mr Byrne. If you benchmark that exercise against similar exercises carried out by DWP and others, you generally get a conversion rate either side of 10%. In such exercises, the net must be cast quite widely, and a conversion rate of 10% is, generally, what is achieved. The trail described in figure 9 is fairly typical of what emerges from those types of processes. As we do not know exactly whose circumstances will have changed and which people may have a need, we must, by definition, cast the net more widely. Although we refine the data to make the exercise reasonably targeted, there will, inevitably, be some filtering of that process, but it is better to go too wide than too narrow at an early stage.

**Mr Byrne:** That begs the question of whether your targeting methodology works. Are we trying to find a needle in a haystack, or is there a more refined process that you can use so that those entitled to benefits receive them?

**Mr Haire:** Unless I could look into everybody's bank accounts, I suppose that the answer is —

**Mr Byrne:** These are vulnerable people.

**Mr Haire:** Without being able to look into that level of detail, there is no way other than casting the net more widely. I think that what our process achieves is in line with anything that I have seen elsewhere.

**Mr Byrne:** Is the team of 20 pension advisers big enough? Brian reckoned that they were very busy. Are they so busy that they do not get to as many people as they should?

**Mr B Doherty:** Over time, we have reviewed the outreach officer service, which extends beyond older people. We believe that the current number in the team is sufficient to meet demand. However, we work heavily in partnership with others. As a Department, we provide funding to the advice sector, predominantly Advice NI and Citizens Advice, through our voluntary and community unit. We also support a number of community groups through our urban regeneration group, which also undertakes advice work. So there is an opportunity for individuals to contact experts in the field of benefits to give them support. The outreach officers play a very important role. Having 20 individuals located throughout Northern Ireland and making 5,500 visits is pretty good. We keep that under constant review, but we recognise the merits of the outreach service and look forward to continuing with that.

**Mr O'Reilly:** This year, given the views of the advice sector, and having talked to the Advice Service Alliance (ASA) on quite a number of occasions, we wanted to give them an opportunity to come forward with ideas about how we could reach pensioners and others who require benefit. That was the purpose of the innovation fund. It was an opportunity for organisations from the voluntary and community sector to come forward with their ideas and tell us how they would best deliver the service. We run the seven projects that Brian mentioned to see how that works, and we work in partnership with them. If there are new ways to do things, we are quite happy to take those back in and do things differently.

For every £1 that the agency invests, it gets back £13 for pensioners. We think that that is a reasonably good rate of return on our investment. If we can keep at that level through working in partnership with others, rather than as an isolated organisation, we will stay on top of the problem.

**Mr McLaughlin:** I have a question on targeting. You said, Brian, that the outreach team also deals with "others". You mentioned 5,500 visits. Were 5,500 pensioners visited or 5,500 pensioners including others?

**Mr B Doherty:** Those 5,500 visits were to pensioners and others, but they are all deemed to be vulnerable people who have particular challenges.

**Mr McLaughlin:** How do those figures break down? Do you have some idea of how many pensioners are being reached?

**Mr B Doherty:** I do not have that breakdown, although I would suggest that the significant majority are older people. Historically, outreach officers were known as pension advisers. Over time, their service was slightly broadened because there were other —

**Mr McLaughlin:** You really do not have any information on whether the figure would be 80%, 90%, or whatever?

**Mr B Doherty:** I can provide that information, but I do not have it to hand.

**Mr McLaughlin:** You do have it, though?

**Mr B Doherty:** Yes.

**Mr McLaughlin:** I would not mind getting a breakdown of the 5,500 visits.

**Dr McPeake:** We are engaged in that work in a couple of other areas that may be relevant to the Committee. First, we run the warm homes scheme on behalf of the Department. Part of the scheme targets vulnerable people in the private sector, principally homeowners, but also tenants in the private rented sector. As well as arranging physical works on people's properties and providing advice, our two agents, the Housing Executive and the Bryson Charitable Group, carry out benefit entitlement checks for applicants. They currently carry out about 10,000 such checks a year. About 40% of applicants are elderly people. We find that about 6% of those whom we check through validation work with the Department end up securing extra benefits. So that activity is certainly worth doing.

In addition, we run a new e-benefits programme for all new Housing Executive tenancies. That provides a benefit entitlement check for those who have never been Housing Executive tenants. We have been doing that since 2008 and rolled out that e-benefits programme on a pilot basis last year to Fold and Apex, two of the major housing associations. We are beginning to see some benefit coming from that.

One of the panel members mentioned, a moment ago, the importance of changes in someone's life. A life-changing event may happen. From a benefit point of view, one relevant issue is an individual's getting a new house and moving from one house to another. Another such event is being allocated a tenancy: rent is set and that determines the amount of benefit. We now attend scheme handovers for housing association newbuild schemes. The Housing Executive does not build any more; housing associations do that. When tenants are allocated newbuild housing, Housing Executive benefit specialists attend to provide advice directly on the day. So a number of different things are happening, which, in our experience, help to promote benefit uptake, particularly among the vulnerable.

**Mr McQuillan:** I have just a quick question. Earlier, Mr Haire said that for every £1 spent, there is £11 uptake of benefit, whereas Tommy just said that £1 spent is equal to £13 of uptake. Do you really know what the figure is? How do you measure that?

**Mr B Doherty:** It is £11.

**Mr O'Reilly:** My apologies. I thought that it was £13.

**Mr McQuillan:** How is it calculated?

**Mr B Doherty:** It is the amount that we invest against the amount of additional benefit. We spent around £3 million and the return in benefit was £37 million or £38 million. It is straightforward division.

**Mr Dallat:** The application of IT has been highly successful in detecting fraud. Why is it not as successful in improving the uptake of benefits by pensioners?

**Mr Haire:** Partly, it is because uptake is about people giving us the information and applying to the system. That is the difference. We use IT extensively in this process. As you know, we have used it in changing the state pension, partly through telephony. I have described the process of how people come to start receiving their pension. The state pension and state pension credit are, along with housing benefit, where the big money is. We now have a system whereby, through telephony and our use of technology, applications are received well. We are moving across to ensure that the housing benefit element is captured as well. We are populating the application forms through the use of technology, and, through the use of technology, we hand them over already filled in to both the Housing Executive and LPS. However, it comes back to the basic point: how do you get people to make the call? When circumstances change and people need us, how do we make sure that they contact us? We realise that that is the big challenge, and that is the difference.

**Mr Dallat:** We know that there has been a rather unfortunate history of bad contracts, and so on, in the provision of IT. Are your IT systems adequate to meet the needs of your customers?

**Mr O'Reilly:** Our two main services are state pension and state pension credits. The state pension system is continually updated. We have recently introduced innovations that allow pensioners to receive their state pension automatically, without necessarily having to fill in a claim form, if they are on a working-age benefit. An automatic transfer makes that much easier for pensioners. We introduced the Pensions Transformation Programme into state pension credit, which moved it to a telephony-based system. We continue to improve all our systems, but they are working very well at the moment. There are no major issues.

**Mr Dallat:** The independent sector has been very helpful and useful in identifying pensioners who are not getting the proper benefit. One of the best-known systems is Access to Benefits (A2B), which closes this month.

**Mr O'Reilly:** Yes.

**Mr Dallat:** Is that a step in the right direction?

**Mr O'Reilly:** A2B was an initiative taken forward in conjunction with Atlantic Philanthropies, and it has now come to the end of its funding cycle. A2B provides a benefit calculator to aid the voluntary organisations. Similarly, and prior to that, the Department for Work and Pensions developed a calculator, which we use in the agency and is available from government. A2B played an important role over the past number of years. It is very much a funding issue between it and its main funding organisations.

**Mr Dallat:** I am not trying to walk the officials into the political arena. That would be terribly unfair. However, at a time of absolute crisis — I know that you are bulging at the seams with enquiries about benefits, and so on, — it seems crazy that one organisation, which proved to be successful, is closing down this month while we discuss the uptake of benefits. However, you did not make the decision, so we will not hold you responsible.

**Mr Byrne:** Following that general thrust, I note from figure 9 that more than half of pensioners to whom you wrote did not respond at all to your update programme. In other words, they were reluctant to respond. What are you doing to try to reach the 54% of people who did not even respond to the initial letter? Do you follow up a non-response? How is that done?

**Mr B Doherty:** Since those figures were produced, Mr Byrne, we have, in fact, had 360,000 what we call "contacts" — not necessarily people — with older people during our benefit uptake campaigns.

**Mr Byrne:** Over four years?

**Mr B Doherty:** Since 2005, when we initiated our current approach to increasing benefit uptake. Some of that has been through the Make the Call campaign, whereby people contact us by telephone.

However, we have made a number of contacts by letter. We generally have contact details for our customers. We follow those up with a further letter or phone call. As I said earlier, the response rate of our current campaign, which is in partnership with Advice NI, is between 18% and 20%. We issued 25,000 letters, and, subsequently, made a further 8,500 calls to those individuals, and we have more to make. That is proving very beneficial, because we find that some individuals receive a letter, open it and, perhaps, put it to the side without following it through. The call is really a prompt to ask them whether we can pass their information to Advice NI for that organisation to make contact. Therefore, it is not just a matter of making one contact and then forgetting about it. We follow up, and that additional activity has a big return for us.

**Mr Byrne:** Further to that, when does the pension adviser intervene?

**Mr B Doherty:** People can request that an outreach officer make a home visit. There are limitations. We believe that 20 is a sufficient number of pension advisers at present.

**Mr Byrne:** Are they working at full capacity?

**Mr B Doherty:** I would suggest that they are working at full capacity.

**Mr Byrne:** Does that become a limiting factor?

**Mr B Doherty:** We keep that under review. They have a broader remit now than in the past. As I said earlier, they have undertaken some visits to deliver difficult news to vulnerable people, such as those receiving a letter stating that they have received a very large overpayment. However, if we felt that the outreach service —

**Mr Byrne:** How many thousand pensioners is each adviser be able to deal with directly each year?

**Mr B Doherty:** We have located them geographically. The target time within which advisers have to undertake a visit includes travel time and the length of time spent at a house.

**Mr Byrne:** The simple question is: how many?

**Mr B Doherty:** How many visits do they undertake?

**Mr Byrne:** On average, how many pensioners does each adviser deal with each year?

**Mr B Doherty:** I suggest that, by the end of the year, the 20 outreach officers, probably, should have undertaken about 6,000 visits between them.

**Mr McLaughlin:** Is the figure of 6,000 nothing to do with the figure of 5,500 that we heard earlier?

**Mr B Doherty:** It would build on that.

**Mr McLaughlin:** It refers to the same people?

**Mr B Doherty:** Yes.

**Mr McLaughlin:** The outreach officers' work involves encouraging pensioners and others to take up their entitlements. However, the figure of 5,500 includes others, and I am not quite sure who those others are. It also includes people who have been given notice or advised that they have received overpayments, which they have to try to do something about. Therefore, there are three calls on the use of their time.

**Mr B Doherty:** On occasion, yes.

**Mr McLaughlin:** Let me preface my comments by saying that it is clear, from the individual testimonies that we are hearing, that a dedicated effort is being made to reach the client base here. However, the report demonstrates that we also have to address significant failure. A range of explanations was

offered. One explanation that kept coming up is that there is resistance among some of the pensioner cadre that has never been quantified. I do not know whether that means most of that cadre or whether it is a question of age and culture. Mores have changed in recent times, but there is a generation that does not interface comfortably with government. Are we talking 10%, 20%, 30%? Has any effort been made to quantify, even in percentage terms, how many of those people are difficult to reach or convince? Has any survey work or study been done to find out whether we can overcome that resistance?

**Mr B Doherty:** Yes; we undertook surveys and asked people why they had not engaged with us. I do not have a breakdown because we would take a sample. Probably those who disengage most are those who believe that they have enough and do not require any more.

The stigma of government is not as prevalent as it was, in large part because of investment in our IT systems, which reduced their complexity. However, benefits as a whole are complex, in trying to marry one benefit with another. Those are probably the cases that feature most. We take those cases and try to design future programmes to overcome some of the difficulties. For instance, the Make the Call campaign is an attempt to get people to contact government. Having a good advocate, such as Age NI or Claire Keatinge, the Commissioner for Older People, has been tremendously beneficial for us because they see that as something that an older person's advocate is endorsing.

**Mr McLaughlin:** There is a clear message from the case studies on pages 33–5, because there are good examples of follow-up work and further investigation establishing that there is more entitlement than was, perhaps, understood. Some repayments were significant, with four-figure sums on occasion, although the average may be much lower. However, that gives an indication of the impact on those pensioners' lives up to that point because they had been doing without that money.

I was interested in the Access to Benefits scheme that John mentioned. Whatever its present or future configuration, it mapped out a useful tool that could be used by the voluntary sector as well as the statutory sector. One case history in the report concerns an advice worker spending five hours filling in seven different application forms. You can imagine that that may be the biggest chill factor for individuals without such expert support, apart from the stigma of government. The techniques now being deployed in the web-based approach to populate application forms would make a major impact on any individual thinking of revisiting that experience.

I am suggesting that we could develop a single tool through a web-based approach, whether that means the statutory agencies sending out their advisers, the independent advice sector or, if it comes to it, family members or clergy. We are all singing off the same hymn sheet: populate the forms, use the same data information, take responsibility at the centre and at the interdepartmental group to make sure that it is always up to date. However, it is an authoritative document that calculates entitlement and can address the issue.

We cannot live with the failure rate. Although I generously acknowledge the efforts, they are somewhat ad hoc, and I want to know how many pensioners are resistant to being approached and what is being done about that identified problem. I want to know how many pensioners think that they are getting enough. Do they think that because their lifestyle is comfortable, or because they happen to be in a particular historical cultural loop that is stoical and accepts our failure to reach them in an adequate fashion?

When we read those case histories, we cannot be complacent or satisfied about them, although we acknowledge that people are working very hard and achieving results. However, we will be a long time in eliminating or eradicating the problem.

**Mr Haire:** We share your point of view. That is where the strategy that we are trying to put together comes in. As I demonstrated, we already have a benefit calculator in our system, which is core to our work. How can we use that process? I described some of the ways in which we use telephony and data across our system to try to populate forms and structures. In that respect, we are learning. How do we improve the technology, the forms, applications, higher processes and data knowledge, and connect that to the outreach work? We can do a lot of work in that way. People are resistant to some telephony, but a fair amount of the population uses IT and telephony with us very successfully. It is not

working for everyone, so how do we ensure that all our people are working in a co-ordinated way across all our needs to improve that? How are we working with the advice sector that we fund? Perhaps a GP will see that someone needs carers. How do we ensure that all the trusted third parties are playing into the system in a coherent way? That is the task. We want to fit all that together as coherently as possible.

**Mr O'Reilly:** It is fair to say that, as we move forward over the next couple of years, some of the major benefits will become much more closely integrated. Housing benefit will disappear and become part of state pension credit. That simplifies the issue and reduces two forms to one. We will then move forward to a single tier, and it will all collapse down. The biggest issues will arise over some of the other benefits that pensioners need to access and in which there are serious issues. We all acknowledge that the 49-page DLA application form is a traumatic experience for pensioners. That will take a long time to resolve. For the vast majority of benefits, we should continue the strategy of simplification and trying to ensure that one form can carry out a number of tasks for us.

**Mr B Doherty:** An analysis of the case studies shows that, although it is appalling that people are not getting their full benefit entitlement, four of the six case studies were contacted as a result of our benefit uptake work. That is how those case studies came about. That suggests to me that we are targeting and contacting those in need.

**Mr McLaughlin:** Is the inter-agency approach reducing the number of times that an individual pensioner or pensioner couple has to go through the process of application and validation assessment? When they engage with the system, is it a one-stop shop, or is it an experience that they have to repeat as they deal with rate relief, housing benefit, and so on? Housing benefit and rate relief are linked, but other benefits are not.

**Mr O'Reilly:** We are getting much better at it, so that as a case —

**Mr McLaughlin:** Does that mean that they are integrated?

**Mr O'Reilly:** I think that they are. There are still inadequacies in the system, but it is a work in progress. Certainly, if a client is applying for state pension credit, the state pension credit adviser will take that claim and then start to fill in the forms for housing benefit and lone pensioners' rate relief while he or she is on the phone. We are trying to make it a one-stop process, but then we have to hand over to the other organisations.

**Dr McPeake:** In such cases, the partially completed records come to us electronically. It is not as though someone puts them in the post and there is the risk of a disconnect. The records come to us instantaneously. Housing benefit will then contact the applicant, who does not have to give the same information twice, but only the additional elements that are required for the necessary housing benefit calculation.

At present, through our system, an applicant takes 30 minutes on average to complete a form for housing benefit by phone. It is faster by phone than it is in person. We deal with 156,000 phone calls a year in relation to housing benefit at the service centres or at the district offices. District offices still provide support to applicants.

**Mr McLaughlin:** That is an interesting statistic. I want to reduce that down to an individual contract. We are talking about an elderly person, who is possibly confined to his or her home. How long will that person be on the phone?

**Dr McPeake:** On average, it is 30 minutes. I do not know what the range is, but more complex cases might take longer.

**Mr McLaughlin:** I imagine that some would take longer. I also imagine that it would be stressful for an older person. We need to reduce that interface to the max, which might mean that there are protocols that allow people to represent the other agencies that have a direct interest and that the person knows what they are doing, if it does come to a web-based approach. For instance, clients will need to know that they can plug it into a television so that they can see what is happening on the screen and be

talked through it in steps. The telephone is fine for some people, but I think that it is very confusing for many in that cohort of our community. It simply adds to the confusion and, perhaps, the fear.

**Dr McPeake:** We offer the full range.

**Mr McLaughlin:** I know.

**Dr McPeake:** Some people can fill a form out electronically; some can do it over the phone.

**Mr McLaughlin:** That might be interpreted as frustration in that those people have to go through it again with somebody else. That is how it is understood, is it not?

**Dr McPeake:** I think that your point about the web is very important. There has been a significant growth in activity on our website. Our housing benefit section is one of the busiest parts of the website. It has a Northern Ireland-based housing benefit calculator.

**Mr McLaughlin:** Will or Tommy will probably be able to help me with this issue. What is the single key piece of data that allows you to identify every pensioner, as a starting point?

**Mr O'Reilly:** Their national insurance number.

**Mr McLaughlin:** That is what I thought. If that triggers this kind of inter-agency response, we could probably address the chill factor effectively. You might meet resistance. You explained that you work with everybody: GPs; the clergy; the family connection; and local community workers. There are many ways in which we can reach people who do not want to talk to someone from the Department for Social Development. Some people might say that they do not want to talk to Will Haire. Nothing personal, as you know.

**Mr Dallat:** You had to add that.

**Mr McLaughlin:** I had to throw it in. People are worried in case they have made a mistake. They are getting their benefits, but they might not be getting enough, and they are worried that there has been a mistake and that somebody will figure it out and they will get less. Those are the issues that prevent people from engaging. They might want to talk to their family, and say, "Don't say anything more about that." They might want to talk to someone whom they regard as being more of the community than of government to help them step through the issues. There will still be gaps, but I am looking at a very resilient statistic. I think that a lot of people are missing out, and we have not yet figured out how to deal with them, despite what I think is some brilliant work that we have heard about this afternoon.

**Mr Copeland:** I have a supplementary question based on what Mitchel said and harking back to Joe. Apologies, Brian, but you talked about the advisers who go out to speak to people to appraise them for potential benefits. Do they handle the entire case from cradle to grave? If there are 20 advisers with 6,000 cases over a year, that works out at about one and a half cases a day. It is not massive. If it is a matter of somebody getting into a car, driving out to a house, getting the data, driving back and processing it, I wonder whether it might be better to split it into having one person processing the data and somebody else getting it. Perhaps I am wrong. I do not want to be unkind to your staff, because, in the past, they have been superb. Frequently, I get people's benefits assessed via e-mail and, invariably, they all migrate upwards. I thank you for that. One and a half cases a day does not seem a lot.

**Mr B Doherty:** That situation is constantly under review. However, the conversation that an outreach officer has with an individual is not solely about social security benefits; it is about anything to which that individual is entitled. That range may include blue badges or anything to do with transport. I have accompanied outreach officers, and I think that the older population likes to chat with us and have us stay for a cup of tea, so we do not run off. There is also the travel factor, and there are differences in approaches between individual officers, depending on where the heaviest caseload is. Particularly for pension credit, a telephony-based service links into the system. A signature is not needed. It is all done over the phone. All the evidence is recorded. When an outreach officer is with someone, he or she will fill out a form; an outreach officer will not necessarily telephone on behalf of an individual.

**Mr Copeland:** Are the information-gathering and processing operations carried out by one person, as opposed to someone being responsible for data collection and another for processing?

**Mr B Doherty:** It is gathered by an outreach officer and then passed to the processing teams. Outreach officers know what people are entitled to, but, with the technology, the information must be uploaded onto a system.

**Mr Copeland:** Is the form filled in on paper or do outreach officers have a laptop on which to do it there and then?

**Mr B Doherty:** It is done on paper. We do not have secure laptops that allow us to interface with the system.

**Mr Copeland:** Is that worth considering as a way of having a single data entry point?

**Mr B Doherty:** I cannot sit here and say that we are absolutely looking at that, but as the technology develops and security becomes stronger, we would want to be able to do that when we are out with people. The systems, the technology and what sits behind them are extremely complex.

**Mr Copeland:** I understand that. However, consultant surgeons and doctors can do it. Then, one and a half people a day just does not seem many.

**Mr McLaughlin:** Or if you are a lawyer, you get charged £150 for seven minutes.

**Mr Copeland:** It is worse than that. I do not think that you would not get one as cheap as that.

**Mr Girvan:** I thank the panel for coming. I want to come in on the report's reference to consultants, engaged in 2008, recommending that the Social Security Agency develop a three-year programme. My question touches on many that have already been asked, but the report states that such a programme:

*"would target 30,000 clients a year, focusing on vulnerable client groups and on those benefits with low uptake rates."*

Unfortunately, we are dealing with the elderly, many of whom think that their pension is all that they are entitled to. Many such vulnerable people may not have family support, so there is the big issue of their not always being led through the scheme.

John Dallat made a pertinent point that in this modern age, all things are supposed to communicate with each other, and we have the electronic transfer of information and data sharing between agencies and Departments. The fact is that, even if people are aware that a person is eligible for more, people in a position to do so do not always ask clients whether they are aware that they are eligible for this, that or the other. Does your equipment show that up? Will you outline what you have done in response to the 2008 recommendations?

**Mr B Doherty:** May I clarify the particular paragraph?

**Mr Girvan:** Paragraph 3.20.

**Mr B Doherty:** Under pension transformation, which is a change to the IT systems, when a contact is made for us on behalf of somebody who is claiming, for instance, state pension but has not automatically gone from one benefit to another, the system is designed to direct people to another question, based on the answer to a previous question. For example, if someone qualifies for £90 a week on state pension, that is below the threshold that people are allowed to receive. The system will certainly ask questions, such as whether people have any other income or savings, and it will start to drive them towards, maybe, state pension credit. If it transpires that you are entitled to state pension credit, the same individual will take you through the process there and then. That will also drive you towards other questions on housing benefit and rate relief. There is a set of questions and prompts

for those who take the claim that is designed to tease out what other benefits a customer would be entitled to.

The IT system is continually under development by our colleagues in the Department for Work and Pensions. We have some work to do to link those systems up further, or we would probably not need to undertake benefit uptake in the way that we do. However, we have made significant inroads in the transformation and utilisation of those IT systems. Tommy mentioned some of the changes that may come further down the line, and a £140 pension has been mentioned in the media. We continually look at the systems to try to make them more user-friendly for staff and customers and to ensure that the journey is relatively short. John mentioned that it takes 30 minutes on average to make a housing benefit application. For a state pension credit application, the average is 11 minutes.

**Mr Girvan:** I appreciate that aspect. The consultants' report recommended that you should contact 30,000 people each year. You said that you have managed to contact only 6,000 people each year. Was it expected that your staff would contact those 30,000 people directly, or are you relying greatly on the independent sector to take that up?

**Mr B Doherty:** No. We contacted over 18,000 people during 2010-11, and we contacted a further 25,000 this year through the project that we are running in partnership with Advice NI. The Make the Call campaign has also generated around 13,000 calls to date.

That takes us back to the different routes that we would encourage people to use to engage with us and to determine what their benefit uptake should be. This year, we have four strands to that: the 25,000 contacts that will be delivered on our behalf by Advice NI; some geographically based outreach or promotional activity through leaflets or posters in GP surgeries to make people aware of what their uptake should be; the Make the Call campaign; and the innovation fund for increasing benefit uptake. Tommy mentioned that the innovation fund has seven projects, two of which deal with older people. I will take a little bit of liberty here. We went out with a relatively blank sheet of paper on the innovation fund and invited proposals from organisations. Therefore, we thought that it was interesting that, of all the proposals that were brought forward and of the seven that were taken forward, only two deal with older people. That suggests to us that the advice sector feels that we are making good inroads into our targeting and are ensuring that older people receive their benefit uptake.

Of the two projects that deal with older people, one is being taken forward by Disability Action in conjunction with the Oaklee Housing Association and involves it working in folds. When someone moves from his or her home to a fold, it is a life-changing event, and that project is trying to find out what potential benefits they may be entitled to. The second project involves a relatively new approach for us, in that it is being carried out through a community group in north Belfast rather than some of the big advice sector organisations. That group is almost going door to door to target older people, and, through it, we are trying to find out whether a friendly face from a community group can generate some interest.

We are also doing a third project in partnership with Macmillan Cancer Support and are going into hospitals to offer advice to those who have been diagnosed with cancer. That diagnosis is also a life-changing event, and benefits are probably the last thing on those patients' minds at that very difficult time. There are probably some older people among that group, and the project will allow us to check all the benefits to which they would be entitled and start them on the journey. Many of the customers with whom we have engaged through that project will have never engaged with us before. They have been working and have never had to use the benefit system previously, and to do so can be quite daunting. However, we are putting advisers into a number of hospitals to help them.

**Mr Girvan:** You said that only two projects are aimed at older people. Some of the elderly in our society will never have complained or have been vocal in making their point. If you target certain people, you will get the same message from a small number all the time. However, the elderly are a section of the community that sit at home and are not being pushed to get their stories out. I welcome attempts by organisations that are trying to do that, such as Age NI and like-minded people who are trying to champion and promote their cause. You have a duty to realise that there is a problem. You do not have to wait until you are told about it. We know that there is a problem. We know that many in the community are not accessing benefits to which they are entitled. Even if they do not want to take it up,

a mechanism should be in place to assess people's entitlement, allow them to avail themselves of it and make it accessible to them, without having to go through a bureaucratic process. I appreciate that welfare reform, which is on the way, may streamline aspects of how such issues are dealt with. However, if we know that people are not getting certain benefits, it is difficult to understand why we cannot create a process to provide them, without all the red tape.

**Mr O'Reilly:** We are trying to test the hypothesis that there are large numbers of people. We are investigating our data and using academics to improve our understanding of it. However, given the experience and interventions of local community groups and those in the local voluntary and community sector, we want to test what they think is the best way of doing it. That is what the innovation fund is for. If we are not doing it right and someone else knows how to do it, we want to learn from them and work in partnership. We are trying to do that with the innovation fund.

**Mr Girvan:** The report states that staff should have "appropriate training in benefit advice". That seems peculiar, since they are working in that agency. Is it not safe to say that staff should have training in all aspects of benefits, not just one sector in which they are involved but in the gamut of available benefits? Working closely, as I do, with Citizens Advice and Advice NI, I know that they train their staff to have good knowledge of all benefits. If they do not know enough about a benefit, someone in their group will support them with backup information. Those groups need to be supported as much as possible. Does the report's recommendation regarding your staff highlight the fact that there was a lack of training to cover the range of benefits available?

**Mr O'Reilly:** That is a fair point; there was a lack of training. Until a certain point, there was a lack of training in housing benefit and rate relief that was highlighted by the recommendation, which we have implemented. All our advisers and staff involved in state pension credit can now complete that documentation, where previously there was a gap.

**Mr Girvan:** Did the training cover all your staff?

**Mr O'Reilly:** Yes, all the staff who interface with pensioners.

**Mr Girvan:** I may be approaching the issue from a different angle. I know that there are staff who are supposed to interface with pensioners. However, when pensioners phone someone in a benefits office to check something out, they do not necessarily get the right advice. The person whom they get through to will try to deal with their problem, but their role may not be to deal only with the elderly. Therefore, they will not have and cannot give the caller full advice. However, that pensioner will come off the phone in the belief that the issue has been dealt with and that he or she is not entitled to anything more. I know that that has happened and is ongoing. The mechanism for getting information out must be improved. To start with, the phone numbers are confusing as callers are passed through the system to get to the person to whom they need to talk. The direct line must be to an adviser for the elderly. In many cases, that seems to be missed when an individual gets through to a local office.

**Mr B Doherty:** We invest heavily in training, but, by and large, it is benefit specific. I have met individuals in organisations such as Citizens Advice and Advice NI. They build up a good general knowledge of the breadth of benefits to which people may be entitled. Our outreach officers have the same breadth of knowledge. However, I talked about our IT systems, specifically for state pension credit and state pension, which directs staff to what someone may be entitled to. There is a warm hand-off in those situations, but unfortunately we have systems that do not necessarily talk to one another. The IT and payments that we use have been built up over many years, and making those systems operate more closely is a challenge that we face in our work with DWP colleagues. We train people in order to make sure that the core, or first, benefit that someone gets is in place. From that, we have a conversation with individuals about what else they might be entitled to, such as attendance allowance and carers allowance, which are qualifying benefits.

I agree that the utopian situation would be to have a person who could do everything. However, we do not have a large Northern Ireland-based approach to processing, and that, by necessity, we are in different centres and are benefit-specific. The way that we try to overcome this is to have warm hand-offs in the organisation and with our partners. It is not a matter of having to start all over again each

time. There is core data on a system and, as I said, that is passed on for attendance allowance or carers allowance. We struggle a bit with that, but we are getting a lot better at it.

**Mr Girvan:** I am glad to hear that you are getting better at it. However, pensions have been paid, people have been in receipt of housing benefit and the system has been in operation for a number of years. We had a report highlighting the problem and trying to address it, but it took a number of years to get to that stage. I find that difficult to understand. The frustration is there and we can see where the problems are, so why do we keep trying to reinvent the wheel? The problems should have been filtered out long before we had this issue.

Retirement age and when people retire are known. There is bound to be a database containing all the information needed about when people will be brought on to benefits and start receiving their pensions. It is not rocket science. Northern Ireland is a relatively small country. We may have to deal with people who have come over from England and elsewhere to retire here, but the majority will have been born and reared here and will have worked, lived and retired here. We are dealing with 1.7 million people. Why can we not get it right? If a business in the private sector were dealing with these issues, it would put a system in place right away to deal with them.

**Mr Haire:** The challenge is that we have to run our systems off the DWP systems. When answering Mr Dallat's questions, we talked about some of the problems with IT systems. Indeed, the complexity of government contracts for IT systems is an issue that the Committee has dealt with.

To be fair to DWP, it has quite a strong record. It has strong ability and does deliver. However, some of the systems are legacy systems, they are old and complex, and that is the reason for the big change to universal credit. We have to work within those structures. On the other hand, we administer housing benefit and other benefits differently. Therefore, inevitably, we are in a time when the technology is not in our control.

However, things are changing in the right way. We are using telephony and other systems, and we are trying to innovate around the technology that is available elsewhere to make sure that we do those things well. Indeed, we have described why we have used telephony on state pensions. We are pushing that to the maximum. We feel that we will move towards a situation in which DWP's technology will improve and will answer the points that you have made, and we are keen to make our organisational structures as strong as possible. This has been an issue for the past eight years. We have been pushing forward in this area. We have also been learning, and we readily admit that this is a learning process.

Going back to the basic point, none of us around this table knows exactly the size of the problem and we have no data that can give us the answer. That is frustrating. We have been pushing as hard as we can to try to improve the systems. We recognise that, although we are caught in DWP's structures and technologies, we can improve the system through better organisation. As a result of that, the journey can be pushed further forward in the next year or so.

We commissioned the independent review because of our concerns. We implemented that review and took the best advice that we could to push that forward, and we will continue to do that.

**Mr Girvan:** I welcome the good work that is ongoing. That is an improvement and we want you to keep moving forward. Thank you.

**Mr Byrne:** Paragraph 3-27 states:

*"Feedback from the Independent Advisory Sector suggests that there may be scope to improve the Uptake Programmes. Some Independent Advisory Sector organisations considered that the current approach was not sufficiently mainstream but simply a range of pilot exercises producing short bursts of uptake activity."*

I am trying to get at the culture of the organisation in relation to how people who phone in with queries are treated. It seems to me that people can make more headway with officials if they are experts who work in the independent advisory sector. However, the ordinary Joe Bloggs citizens and pensioners

who phone in are not fully confident about asking questions and are very often fobbed off and left to their own devices. Unless they have access to the independent advice sector, they very often fall through the net. Would you like to comment on that, Will?

**Mr Haire:** I did not read the report in exactly that same way. The independent advisory group and the four commentators said that there were understandable concerns about longer-term contracting for some projects. That was an issue the last time I was in front of this Committee, when we talked about the problems for the independent advice sector. It is a real issue, as you will appreciate.

As an Assembly, you do not put this on us as a mandatory requirement. Rightly, you put a lot of other things on us that you require us to do. We have had an issue whereby we have had to do this on yearly budget processes, so we have had to go on just one-year contracts, as it were. Also, frankly, we have been trying to use those one-year contracts to investigate the best way forward. Therefore, it has been frustrating for the voluntary sector in that they have not had longer-term contracts. We recognise that that is an issue that we have to see addressed when we decide exactly the best way to do that.

**Mr Byrne:** Do you agree that the NIAO report has been signed-off by the NIAO, the independent sector and your Department?

**Mr Haire:** The NIAO makes the point that it does not make any comments in relation to the independent sector. Those are what the independent sector told them and we recognise that that is what the independent sector told them, so we are —

**Mr Byrne:** NIAO reports are agreed by all participants.

**Mr Haire:** I think the report indicates that this is not an agreed report in that sense. Maybe it is for the Comptroller to speak about it. However, they made very clear that they did not ask us to sign up. We totally accept that the report represents what the sector feels about those issues. Some sections are extremely positive about the relationship and issues. There is a variety of views in the sector.

The theme to be taken from the report is they want a longer-term strategy. We recognise that. They think they want more innovation in the processes, and Tommy relayed to you why that was one reason he and the team said: "Right, let's get an innovation fund." We got some Atlantic Philanthropies money to make it even bigger and we said to the sector: "Right, please tell us how you would innovate?" We have got that experience that work and innovation for this year and we will draw that into the next stage.

We have also really started drawing that group much more into the strategic planning of this work. They are heavily involved in the revived interdepartmental group. I think some of them have been to every meeting of that group to discuss those issues, and that is our commitment to them. A good and much better connectedness has developed with that sector in recent years.

Going back to your point about whether the agency takes a different view with someone ringing from the independent sector compared with what you described as ordinary Joe Public. I did not pick that up in the document.

**Mr O'Reilly:** I do not think that we find that to be the case. The Department funds the advice sector to fulfil a function in supporting people and we welcome that. However, if we can shortcut an individual contacting the agency by completing a form online or on the telephone, that speeds the whole process up. We will make sure that our systems signpost people to their additional benefit.

**Mr Byrne:** OK. Maybe I am misunderstanding it, Chairman. That is OK. Thanks.

**Mr Copeland:** Paragraph 3.28 lists nine actions that the Social Security Agency has to put in place to relieve or address the difficulty. It goes on to state that those measures should improve the situation. The phraseology is aspirational. As far as I can see, at the time the document was introduced, there was no evaluation of the impact of those measures. Why did you not evaluate the recommended steps? Have you done so at this stage?

I was also fascinated, which does not happen to me very often, by the fact that, in 2009, these checks apparently identified under-payment adjustments of around £17.6 million in pensioner benefits. Of that amount, 99% related to official error, which seems high.

**Mr O'Reilly:** There is no question that, when we established the state pension credit system as part of the response to the new benefit and as part of service delivery, the information that went into the system was not fully validated in the way that it should have been. That is where the error arose. We have spent nearly five years systematically checking that. That is where the error related to. That work is complete, and we are now —

**Mr Copeland:** Sorry, were the nine measures put in place evaluated?

**Mr Haire:** I have given you the broad evaluation, including the famous £11 figure. The challenge is how to evaluate any one of those without evaluating them all. I am not sure that you ever could. The broad value-for-money evaluation that has taken place is fairly relevant here.

**Mr Copeland:** It strikes me that, in essence, we have a communications problem. We have a specific elderly group, who were born before the information technology age. They had telephones, but those were generally in red boxes on street corners. They approach retirement, a life-changing event at 65 or whatever the pension age.

I believe that you have a window of about three months before, during and after retirement when intervention through traditional forms of communication may bring benefits. For example, two of the nine points to which I referred are based on information technology such as the use of computers and online services. I know that there are silver surfers, but I am not sure how many of the target group that we are talking about have bought into that. We are discussing people on the edge, for want of a better word, who, in some cases, find themselves going from paid employment to a completely different lifestyle. I think that you should have a window in and around that retirement age —

**Mr B Doherty:** We have tried to take those nine recommendations to help shape future delivery. For example, the benefit calculator is for all benefits, not specifically for older people.

**Mr Copeland:** I am aware of that. I use it frequently.

**Mr B Doherty:** We have implemented all of those measures. For instance, the take-up of state pension credit in Northern Ireland compared to elsewhere in the UK is quite successful. I think that take-up is 26% or 27% here, compared to 19% in the rest of the UK. You can read into that that we are successful and that we have more people who rely on state pension credit as an intervention. The measures are continually under review, and the programmes that we have undertaken over the past years are designed, first, to make sure that we reach people.

As Will said, we may know the percentage that we are not reaching, but it is a case of identifying an individual and a household. That is achieved by using the technology, outreach or the other methodologies that we have and with which people are most comfortable. I agree that the current cadre of older people comprises those who are not knowledgeable about or great users of the internet. However, as time goes on, we will find that more of our older people will use IT, or their families will use it on their behalf, as an easier route to contact us than directly by phone.

**Mr Haire:** We are getting better at this at the point at which people retire. That is key. You are right to say that the difficulty is that there is a communication problem, particularly as people's lives change. A recent Joseph Rowntree Foundation report states that, in wider terms, people of pensionable age have much better control. In global terms, poverty issues have been addressed more as part of that process. The Rowntree report argues that there should be a greater focus on the 55 to 64 age band. As people have to work longer into that time, and as pensions are pushed back, that is the group that we probably have to think about. For all of us, as well as the pension report, which is very crucial, that is an important wake-up call. We must not just think of 65 as the issue; as we move forward and

processes and employment opportunities change, the 55 to 64 group is the crucial one. We must take a wider view of that as well. There may be an emerging group coming in at that level as well.

**Mr Copeland:** On a slightly different issue, I remember filling in a housing benefit form some years ago and wondering what possible connection there might be between housing benefit and being a beneficiary of a far-eastern, prisoner-of-war scheme. Only two days later, I had someone come into my office who fitted perfectly within that category. That was an education for me.

Paragraph 3.34 notes that the success of the pensions transformation programme was to be assessed before the end of 2011. Did that assessment take place? What did it tell you about the costs and benefits of the programme?

**Mr O'Reilly:** It told us that we had successfully implemented pension transformation. We had reduced the target time from 12 to 11 days. It showed us that current performance is now about 8.83 days. It showed us that all our other objectives for costs and timing were fully implemented. So the post-project evaluation was completed successfully.

**Mr Copeland:** It showed you that it worked?

**Mr O'Reilly:** Yes, but it continues to be a work in progress.

**Mr Copeland:** That is very pleasant news.

**Mr O'Reilly:** Yes. It did actually work.

**Mr Dallat:** I want to pick up on what Paul said earlier. We have the report today, and we have been discussing it now for two and a half hours. I think it is allowable for us to take just a second or two to express appreciation to your staff throughout Northern Ireland. They are incredibly good people. I wish every Department had the same kind of vocation and showed the same sympathy for the people that it deals with. That is my experience and that is what my staff tell me. I do not doubt it. When I am in the office, it is exactly the same. Everything that you have told us about, and that we have questioned you on, is very much appreciated.

You said that you had no statutory obligation to do some of this. Please do not underestimate that. I think that it is important to say it at this time because your staff have been through an awful lot of upheaval. They have been uprooted and sent to different places to streamline the service in the interest of the customers, and that is working, as far as I can see. However, it has not been without personal sacrifice on the part of the staff. I know that some of those transitions are still taking place and I hope that, on every occasion, the Department will show sympathy to those people who are very often doubling-up as carers and who simply cannot get on a train in Coleraine and arrive in Bangor or somewhere like that. I know that the numbers are small, but individuals are affected by that. However, I cannot emphasise enough, and I am probably the longest-serving member of the Committee, that over the years the changes have been tremendous.

I have to ask you a question. Paragraph 4.4 states that various independent-sector advisers have made suggestions for improving benefit uptake. The sector is looking at a longer-term approach to the benefit-uptake programme and the better planning of individual campaigns. The report was published in February 2011. How have you addressed that in the meantime?

**Mr Haire:** We recognise that there is an issue and that we need to take a longer-term view. We have had two major innovations this year. The first was the innovation fund, through which we asked the sector for ideas and gave it the opportunity to pilot new ideas and ways of doing things. We want to implement those ideas and evaluate them. The other big innovation was the Make the Call campaign, through which we have tried to use wider media as a background to raise the general awareness of the process. The interesting issue is how we will complement the face-to-face work and the general raising of the issues. Claire Keatinge's appointment as the Commissioner for Older People will be important in that, and we are keen to see how her role will help raise that awareness.

In the autumn, we hope to start to pull this together. We will work with the sector on the longer-term view, on how we take forward that resource and the right way to do it. That is the basic point.

**Mr O'Reilly:** We are coming to the end of the three-year strategy and are now looking at a fresh one. In that, we will use an evidence-based approach. We will also involve the sector and seek its views and, based on our experiences, find a way forward through which we can create more stability in the system. We need to have a longer-term view, but we continue to be effective and move forward.

**Mr Dallat:** That is extremely welcome, and I am sure that all Committee members will be pleased to hear that.

Paragraph 4.4 of the report tells us that the sector would like to see an extension of the outreach activities that you talked about today. Will each agency representative explain the sort of outreach activities in which they are involved and whether those activities are done through a joined-up approach? The earlier answer to my question was that the IT systems were OK, but Brian then said that the systems do not talk to one other. I would like you to cover that in your answers to this question.

**Mr O'Reilly:** The main IT systems for the state pension, state pension credit, attendance allowance and DLA are national DWP systems and are distinct from the local IT systems that deal with housing benefit and rates. The national digital object identifier (DOI) system is very secure, and it is difficult to have that cross-working. A number of the national DWP systems are also quite old, and, again, we need that investment. However, we are undertaking a replacement programme, and, as a consequence, systems are being upgraded and are becoming more open-sourced.

We are also trying to bring the local systems into a more accredited system, and Northern Ireland IT systems are now accredited under government secure intranet (GSI). That helps with the process, but it is a work in progress.

**Mr Dallat:** I am sure that the Committee supports and advocates that work and wants to see it continuing. The more that it happens, fewer people will fall through the safety net and more of those who we are thinking about today will be detected. It is important that you continue to invest in those systems. Before you invest, you also need the right consultants. However, that is a different issue.

**The Chairperson:** Do the two Johns have anything to add from their perspectives?

**Dr McPeake:** The Housing Executive uses one of the most commonly applied IT systems in the UK for processing housing benefit. The system is called iWorld and was developed by a local firm called Northgate Technologies Limited. The company has supplied the system to most of the major landlords across the UK. It facilitates the exchange of data with other systems, and we use it to exchange data with the Social Security Agency.

On the outreach side, because we administer benefit to our tenants, we know a lot more about them than those who administer social security benefits generally know about their customers. Our focus is targeted much more at individuals, but we also support our colleagues. For example, in the past 18 months, we have worked on 12 different exercises on lone pensioners with John's people.

We recognise that, at the time of a new tenancy sign-up, there is a risk that someone may fall through the gaps. Therefore, as I mentioned earlier, we have increased our activities with our colleagues in the housing association sector. Essentially, that is what we are doing on the housing benefit side.

**Mr Dallat:** I hope that the Housing Executive continues to administer housing benefit. Again, it works well. You can get the information at your fingertips, and relationships with Housing Executive staff have been built up over a long period of time and do work.

**Mr Wilkinson:** I will give you a couple of examples on the IT side. A few weeks ago, I spent a couple of hours with my team that deals with housing benefit and rate relief. There is a direct linkage to the SSA, so I looked at one claim that had come through the post. The link had to be made with the SSA systems to get the appropriate information that we needed to process that claim. The details of

another claim that I looked at had been taken by colleagues in the SSA. So, that completed application form came straight over the IT systems. Those are just a couple of examples I looked at.

The outreach events are where staff really are making a difference. I have a team that works out of Queen's Court on that. I spent an afternoon with them earlier this week and looked at some of the work they were doing. It was not about just the leaflets and posters. It was also about attendance at events with colleagues from the Housing Executive, the SSA and the advice sectors. It was also about joining in and partnering at those events.

The sort of work we have been doing are the 'Young at Heart' events, UN International Day of Older Persons, 'Silver Surfers' and joining in with 'Electric Blanket Testing Day'. An awful lot of work is going on by people who are passionate and proud of the work that they do.

**Mr Dallat:** And rightly so.

**The Chairperson:** We heard about some of the Department's work with the advice sector. Is there anything more you could be doing to make improvements?

**Mr Haire:** The fact we are drawing the sector in much more to the strategic process is the key element. We will try to agree a way forward with them and work out what role they play. Like everything, we have to work out what we can fund.

I return to Mr Copeland's point in that so much of this is about communication. We very much recognise that the advice sector has routes into groups and communities that we do not. We would be very foolish not to try to have a partnership that uses their skills in that process. So, we are committed to working in a partnership way with them.

**The Chairperson:** If every pensioner were to get their maximum benefit uptake, would that eradicate pensioner poverty?

**Mr Haire:** No. The figure 2 diagram on page 11 of the report makes clear that 55% of pensioner income is benefits. We hope that we may be able to streamline state pension and get the £140 pension that is being talked about. That would be good but surely the key problem for us all is occupational pensions making up 20% of pensioner income. Those are still very small in our processes. There is the wider question of longer-term pension issues.

The state side is really important but we have to deal with the wider issue of people investing for the future. As we will all live longer, we hope, that will be crucial. We can give the full entitlement to many people and they can still be in poverty, with poverty defined at that 60% level. The other key issue for us, and for John McPeake, is fuel poverty. Many pensioners are paying a considerable part of their income on fuel.

We must try to get many of those pensioners into the right housing stock. We have done a good job at broad level, pushing up housing insulation, and we are committed to continuing with that. However, unless we get a better mix so that, especially, single pensioners are in smaller accommodation, we will not tackle the issue.

That issue requires not only more contribution from employers and people's own investment in pensions but requires us to get all the acts together. However, a lot of those issues are also housing-related. We have to look at the matter in a holistic way. That is a really big challenge but it is a core issue. The population is growing, at 300,000, but in the next 40 years it will be up to 420,000 at least. So, that is a big group for us.

**The Chairperson:** I asked that question because a considerable amount of benefits are not being taken up by pensioners. It is not coming out of the Executive's block grant but from Westminster. A considerable amount of money is not being brought in to be spent in the local economy, which is a massive issue. That money would help to sustain jobs and grow the economy.

All that can be done has to be done to get that maximum spend. If you spend £1 you get £11 in return. That is good value for money and we need to be seeing much more of that. That would also allow pensioners to live a much more comfortable life with an extra few pounds in the pockets at the end of the day.

A lot has been covered today, and we will continue. We may forward other questions to you in writing. It is a good report. Thank you for your time today.