Northern Ireland Assembly

COMMITTEE FOR SOCIAL DEVELOPMENT

OFFICIAL REPORT
(Hansard)

Welfare Reform Bill: Legislative Consent Motion

9 June 2011

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:
Mr Alex Maskey (Chairperson)
Mr Mickey Brady (Deputy Chairperson)
Mr Gregory Campbell
Mrs Judith Cochrane
Mr Michael Copeland
Mr Sammy Douglas
Mr Mark H Durkan
Mr Alex Easton
Mrs Pam Lewis
Mr David McClarty

Witnesses:

Ms Anne McCleary	)	
Ms Marian McKay	)	Department for Social Development
Mr Michael Pollock	)	
Dr Colin Sullivan	)	

The Chairperson:

We now have a departmental briefing on the legislative consent motion for the Welfare Reform Bill. I welcome Anne McCleary back into the fray, along with Michael Pollock, Marian McKay and, once again, Colin Sullivan. I invite you to make your presentation to members.

Ms Anne McCleary (Department for Social Development):
Thank you. I will go through a synopsis of the key points and issues with the legislative consent motion and then look at a couple of particular issues.

The Westminster Welfare Reform Bill, which was introduced in the House of Commons on 16 February, follows the November 2010 White Paper, 'Universal Credit: welfare that works', which set out the coalition Government's proposals for reforming welfare to improve work incentives, simplify the benefits system and tackle administrative complexity. The Welfare Reform Bill contains provisions relating to Northern Ireland, which means that the approval of the Assembly is required to the principle of Westminster legislating for Northern Ireland by way of a legislative consent motion.

The areas of the Bill that apply to Northern Ireland and require a legislative consent motion deal with the transfer of tax credits functions and the supply of information by a Northern Ireland Department. The relevant proposals in the Welfare Reform Bill, as amended in the House of Commons, are clauses 122 and 123. Those provide, first, for an Order in Council to be made to allow new functions to be given or functions to be removed from HM Treasury, HM Revenue and Customs and a Northern Ireland Department. Power to allocate or remove functions is purely consequential to the transfer of functions on tax credits from HM Revenue and Customs and HM Treasury to the Department for Work and Pensions (DWP).

Secondly, they provide for the use and supply of information held for purposes connected with the tax credits to ensure that there is a clear legal basis for data sharing between DWP, HM Revenue and Customs and a Northern Ireland Department. I stress that the legislative consent motion relates solely to those provisions, which are minor and technical in nature. It is those provisions that the Social Development Committee is being asked to support, not the rest of the provisions in the Bill.

The Welfare Reform Bill contains provisions for the introduction in Great Britain in October 2013 of an integrated working age benefit to be called "universal credit". Universal credit will be paid to people who are both in and out of work, and it will replace working tax credit, child tax credit, housing benefit, income support, income-based jobseeker's allowance (JSA) and incomerelated employment and support allowance. It will provide support for people between the age of 18 and the age at which the claimant becomes eligible for state pension credit.

The intention is that there will be no new claims for tax credits after the introduction of universal credit. Existing tax credits claimants will be transferred to universal credit through a managed transition process. It is expected that by October 2017 there will be no remaining tax credits awards. As it is intended that tax credits will remain an excepted matter, the Department for Work and Pensions will take over from HM Revenue and Customs the administration of tax credits for Northern Ireland until the last tax credits claimants have been migrated to universal credit.

To enable HM Revenue and Customs and the Department for Work and Pensions to manage the transition process, it may be desirable to transfer tax credits functions to that Department. The Welfare Reform Bill contains an Order-making power to allow the transfer of tax credits functions to DWP. That will enable DWP to take over the administration of tax credits from HM Revenue and Customs during the transitional period when universal credit runs alongside the legacy benefits and credits that it replaces. I stress again that there has been no decision that that will happen. However, it permits it to happen if that decision is made.

The Bill also contains an Order-making power to make consequential provisions including the power to allow functions to be given or removed from HM Treasury, HM Revenue and Customs and a Northern Ireland Department or the Department for Work and Pensions. Following a transfer of functions, the Department for Work and Pensions will need to be able to gain access to certain HM Revenue and Customs data and will also need to be able to provide data relating to tax credits to other Departments.

There is provision in the Bill to allow for a wider, single, two-way data sharing gateway between DWP, HM Revenue and Customs and relevant Northern Ireland Departments so that information can be shared to facilitate discharge of their respective functions. That is not a completely new provision, because there is currently provision for information relating to social security, child support, war pensions and employment and training held by DWP, HM Revenue and Customs and the relevant Northern Ireland Departments to be shared and reused for the exercise of their functions.

As the inclusion of those provisions alters, or has the potential to alter, the functions of a Northern Ireland Department or Departments, it triggers a requirement for the Assembly to pass a legislative consent motion. The Departments to which those provisions will apply are the Department for Social Development, the Department of Finance and Personnel (DFP) and the Department for Employment and Learning (DEL). DFP and DEL have been consulted on the proposals.

The Chairperson:

Thank you for that, Anne. I remind members that we are dealing with the consequences of this rather than the substance of the fundamentals. I am advised that the Minister will seek to have the matter concluded at the Executive on Thursday 16 June. Therefore, it is important that, if possible, we reach our decision on this today, even if informally and then more formally next week. Are members happy enough with the information that has been provided? If so, we can move swiftly to taking a formal decision. I will read the motion for the record. Are members content to support the provisions of the motion as set out in the papers and explained by Anne?

Mr Douglas:

Is there an opportunity to ask questions?

The Chairperson:

Yes; surely.

Mr Douglas:

I was not sure about the process.

Changes to the disability living allowance (DLA) mean that — I hope that I am on the right track here — instead of some disabilities leading to guaranteed entitlement, people will now have to be assessed regularly. I just wonder about the Bill. People with severe disabilities, for instance, will have had an automatic entitlement through the disability living allowance. Regular assessments will cause distress to those people. Surely a doctor, consultant or someone else can say that someone is severely disabled, rather than that person having to go through all the rigours, pressures and stress of regular assessments.

Ms McCleary:
The legislative consent motion is purely about the tax credit transfer. We are not in a position to look at all the wider welfare reform issues around DLA and universal credit. I am quite sure that we will be coming to you with those quite soon.

Mr Douglas:
That is OK.

Ms McCleary:
We will discuss all that at length, but it is not really involved in this legislative consent motion.

The Chairperson:
Thanks for that clarification.

Mr Douglas:
I should have known because Mickey would have been in right away.

Mr Brady:
There is an argument around the personal independence payment. There will be a complete change in how DLA is assessed to do with how people are affected rather than necessarily what is wrong with them. That will be a bigger argument.

Dr Colin Sullivan (Department for Social Development):
The Social Security Agency is involved in the design of the objective medical assessment for the personal independence payment. We will be happy to come back and talk to the Committee about that when we are discussing the wider welfare reform issues.

The Chairperson:
Members, we will have ample opportunity to discuss that in much more detail.

I advise members that the Committee's informal report on the legislative consent motion will be prepared for the Committee's approval at next week's meeting in advance of our sending it out to all MLAs. If members are content to support the provisions of the motion as set out, I will read the motion into the record. The motion is:

That this Assembly agrees the provisions in clauses 122 and 123 of the Welfare Reform Bill, as amended in the House of Commons, dealing with the transfer of tax credits functions and the supply of information by a Northern Ireland Department, or by a person providing services to a Northern Ireland Department, should be considered by the UK Parliament.

Are members agreed?

Members indicated assent.

The Chairperson:

Thank you very much. I thank Anne, Colin, Marian and Michael.