



Northern Ireland
Assembly

Committee for Social Development

**OFFICIAL REPORT
(Hansard)**

Welfare Reform

02 February 2012

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 Michael Copeland
Mr Sammy Douglas
Mr Mark H Durkan
Mr Alex Easton
Ms Pam Lewis
Mr Fra McCann
Mr David McClarty

Witnesses:

Ms Anne McCleary	Department for Social Development
Mr Michael Pollock	Department for Social Development

The Chairperson:

We will move on to a consideration of the responses to the equality impact assessment (EQIA) on the Welfare Reform Bill. Anne McCleary and Michael Pollock are here from the Department for Social Development (DSD) to give us a briefing. You are very welcome. We will take the briefing, and members will then have the opportunity to ask questions.

Ms Anne McCleary (Department for Social Development):

Thank you for giving us the opportunity to come and tell you a bit about how the responses to the EQIA have gone. I will start by quickly outlining the process. The draft EQIA was issued on 5 September last year. The closing date for responses was officially 30 November, but that was extended for a number of organisations. This is the first time that we have had a chance to meet with the Committee on this matter, so we are hoping to take your views and feed them into the process as well. In other words, the process is not finished yet.

We have already supplied a brief to the Committee in advance of today's discussion that outlines the broad tenor of the responses received. I am happy to run through those and take questions, if that is what you would like. However, if you feel as though you have already got the information and that you have no questions to ask, that is fine. We do not need to do that. I will leave that up to you.

The Chairperson:

Do members have any particular questions that they want to ask Anne or Michael, or, given that you have copies of the paper, shall we let Anne give us a very quick run-through?

On that basis, Anne, would you mind giving a quick run-through of the paper, please?

Ms McCleary:

Yes, sure. I will outline the key findings from the responses that we received. First, we had 26 responses. We have a list of the consultees, which covers quite a range of organisations. I can run you through that list if you like.

Mr Michael Pollock (Department for Social Development):

Around 155 organisations altogether were consulted. We received 26 responses, one of which was a composite response that represented 17 organisations.

Ms McCleary:

Some of those organisations had already responded independently. The respondents were: Advice NI; A2B Access to Benefits; CLIC Sargent; the Chartered Institute of Housing; the Commissioner for Older People for Northern Ireland; Disability Action; the Equality Commission for Northern Ireland; Extern; the Northern Ireland Housing Council; the Housing Rights Service; the Irish Congress of Trade Unions (ICTU); and the Law Centre (Northern Ireland). The other respondents were: the Northern Ireland Association for the Care and Resettlement of Offenders (NIACRO); the Northern Ireland Commissioner for Children and Young People (NICCY); the Northern Ireland Public Service Alliance (NIPSA); the Northern Ireland Union of Supported Employment (NIUSE); the Northern Health and Social Care Trust; the Northern Ireland Welfare Reform Group, which is the composite response from 17 different members; Save the Children; the Simon Community; Sinn Féin; the Voluntary Sector Housing Policy Forum (VSHPF); Volunteer Now; the Women's Aid Federation Northern Ireland; the Women's Resource and Development Agency; and one individual, Mark Anderson.

The summary of those findings, and this is important, is that 21 of the respondents generally welcomed changes to the benefits system in the context of reducing complexity and tailoring support to those who are most in need. However, the view was expressed that the Department should carry out further impact analyses. Also, 24 of the respondents commented on equality issues and/or gaps in the equality information and challenged the evidence on which the impacts were assessed.

The highest numbers of responses relating to equality issues were grouped around women, older people, those with dependents and those with disabilities. Ten of the respondents commented on the exclusion of information on the categories relating to religious belief, political opinion, race and sexual orientation. Twenty one of the respondents felt that the restriction of housing benefit would have an adverse impact on five out of the nine section 75 groups: gender, age, dependents, disability and marital status groups. Such restriction would have a particular impact on men under 35, older people, carers, those with dependents, those with a disability, widows or widowers, and lone and single parents with shared custody arrangements. Six respondents expressed concerns over the child maintenance reforms, and seven respondents felt that not enough consideration had been given to the impact of the cumulative effect of the welfare reforms on lone parents, widows and widowers, older people and couples.

Fifteen respondents considered that the proposed welfare changes would make child poverty worse, and they expressed a need for DSD to reconsider its EQIA due to the potential adverse impact of the reforms on children and young people. Sixteen respondents expressed concern about the impact of extending the qualifying period for disability living allowance, in other words, the new personal independence payment (PIP). However, that is no longer relevant, because, as you are probably aware, that proposal has been changed. The final note is that 23 respondents considered that the identified mitigating actions did not fully address the problems or provide justification for assuming limited impact on equality categories.

So, that is basically the tenor of the responses that we received.

The EQIA process is designed to identify and highlight adverse differential impacts resulting from the proposed policy changes on any of the section 75 groups mentioned. In this case, the policy changes that are being considered are the proposals outlined in the draft Welfare Reform Bill for Northern Ireland. We are looking at adverse differential impacts. Although we recognise that many of the proposals in the draft Bill are unpopular, it does not necessarily follow that they are inequitable.

We must also point out that consideration of the responses to the draft EQIA that were received will form part of our overall consideration in finalising the EQIA for the Minister and that we would welcome Committee input to that process.

Members may also be aware that the nature of the draft Welfare Reform Bill is that it is an enabling Bill and that many of the reforms will be introduced gradually through regulations. That being the case, we have to point out that this is not the last time that we will consider equality issues for many of these matters. We envisage that certain of the more contentious regulations may require further equality screening and possibly consultation.

We also advise you that our officials are keeping a very close eye on developments at Westminster, where the Welfare Reform Bill is nearing completion of its legislative passage. We still expect the Bill to gain Royal Assent later this month. The Department for Work and Pensions (DWP) has undertaken to update its EQIA as the legislation progresses, and, again, we are keeping very close tabs on developments with that.

We will look again at the responses, and I have given you a feel for what they were about. Some 155 individuals and organisations were consulted directly. The consultation document was made available on our departmental website, and an easy-read version was also made available. However, we received a total of 26 responses, one of which, as we said, was a group response. The paper that you received, which we have already gone through, broadly summarised those responses.

Do you have any questions for us?

The Chairperson:

Thank you for that, Anne. A few members have indicated that they wish to speak, but I will make a couple of points by way of observation. We are not going to rehearse all the arguments on welfare reform or what is good and bad about it. This morning, we need to deal with the paper that is in front of us, which covers the responses to the EQIA and the Department's summation of them. I will just remind members of that.

For me, and, I think, for the Committee in general and the Department, the key issue facing us in the time ahead is the need to satisfy ourselves about the evidence base. Obviously, as you say in your paper, you have to deal with the data and evidence that are before you. You are looking for other sources of data that might give us a different kind of analysis. Therefore, we have to satisfy ourselves as to the efficacy of the evidence base.

I must raise another wee point. Anne, you say that, as time goes on, the Department will look at what you describe as "more contentious" statutory rules or regulations. I am not sure how we will define "contentious". As I read the paper, I see that 21 respondents are generally satisfied with what I would determine as the principle of simplifying the system. Then a whole range of other people, who perhaps represent sectoral interests, tell us what they think the problems are. Therefore, on my reading it is a mixed bag.

Ms McCleary:

It is. It is very much the case that it is recognised that the welfare system needs to be looked at again. The issues are about the changes that are proposed and where those changes should be made. As you rightly said, that is not what we are here about today, so we will be going through the paper.

A considerable amount of the detail of the reform will be in regulations. We will have to look at each set of regulations and screen them to see whether there is an adverse differential impact and then decide whether we need to do an EQIA on those particular regulations.

The Chairperson:

OK. As I say, my issue is how to define "contentious". It might be an absolutely justifiable lobby.

Ms McCleary:

The issue may not necessarily be something that is politically contentious; it is whether it has a differential adverse impact. That is the distinction.

Mr F McCann:

I will be brief, as I am sure you are glad to hear.

The Chairperson:

I am at your disposal for a short contribution.

Mr F McCann:

Thank you, Chair. As you said, Anne, 21 respondents "generally welcomed" changes. Again, it is about how you phrase that. I looked at the list of people who made submissions. We have probably met the vast majority of them, and all of those people are totally opposed to the impact that the Bill is going to have. So, it can be a bit misleading to say "generally welcomed". If you say to people that all benefits will be put into one, that the system will be more efficient, that it will not change the way that they are paid and that there will be no cuts, they will say yes. However, the fact is that benefits are going to be cut to pieces before we get to the point that you are talking about here.

Although you may be guided by Westminster legislation, we also have to consider section 75 here. That needs to be heavily weighed in, because you cannot say that the reforms are not going to have an impact on people. They are going to have an immense impact. The reforms will affect the elderly, the sick, young people and those who are paid at subsistence level. Every type of benefit is going to be cut to pieces. So, there will have to be an equality impact assessment of the effects of the reforms on those who are most in need and on those who are less able to get about. It has to have an impact.

It would have been interesting if all 150-odd groups had replied. I would like to have seen their responses. I am sure that, although they may say that bringing all benefits under the banner of universal credit is good, most of them will also say that what is happening before that will have the most impact. That is what we need to look into. The briefing says that 21 respondents "generally welcomed" the changes, but it also says that 24 respondents made adverse comments. The greatest number of responses were those that related to equality issues. So, there are serious difficulties and problems, and we should not just say that there will be no real impact on people.

You also said that we need to keep a close eye on things. Anyone who kept a close eye on the events in Westminster last night will know that the clearest message yet was sent out. Every single issue that went through the House of Lords was overturned in the Commons last night. That sends out a clear message about where we are going with welfare reform.

Ms McCleary:

I will make a couple of points, just to be clear. As I think I perhaps explained, when we say that 21 respondents "generally welcomed changes", I am not saying that those people are going, "Hip, hip, hooray". I am saying that they welcomed the principles of the reforms, which, as we all know, are about removing complexity and targeting the most vulnerable people. However, the devil is in the detail, and nobody is disagreeing with that.

Mr F McCann:

I just want to come back on one small point, Chairperson. I said that I would not labour the point, but it is too important to let go. The fact is that the changes to the benefits system that we are facing are probably going to be the biggest changes in 50 years. Everyone has recognised, except perhaps the Tories and their supporters, that the changes will be detrimental to communities across the board, more so to those in the North and the north-east of England, Scotland and other areas. When we look at the responses that clearly say, "universal credit would be good, but ...", we need to have the "buts" in there. We need to know what people are saying. That is as crucial as anything that is in front of us.

Ms McCleary:

I think that we have put the "buts" in there. They are quite up front; we are not trying to hide any of that. We know that, as we said, a lot of the changes are not going to be terribly popular.

I should point out that we are not trying to claim that people are delighted with this, but they are saying that, in principle, they welcome reform of the welfare system, if not, perhaps, the detail of the proposals.

You also mentioned impact. This is about differential adverse impact. Nobody is suggesting that the reforms will not have an impact. However, the EQIA is about differential adverse impact. You also mentioned that the benefits system is being "cut to pieces". It is being changed quite dramatically; there is no doubt of that. However, there will also be a significant number of winners.

Mr F McCann:

Who?

Ms McCleary:

I cannot remember off the top of my head who they are. However, I know that more money will be paid out than is currently the case, so there will be winners.

Mr F McCann:

If £400 million is cut from the budget every year, how can there be winners?

Ms McCleary:

There will be winners.

The Chairperson:

With all due respect, what we are dealing with this morning is the EQIA responses.

Mr Brady:

Following on from Fra's point, people are obviously not happy, but we are being told that there is nothing that we can do about this. Some of our MPs in Westminster are voting for the reforms, yet they are paying lip service in other ways by railing against it to a certain degree.

Of course, as Fra touched on, people will welcome anything that reduces complexity, but:

"tailoring support to those most in need"

is aspirational as far as welfare reform goes, because those most in the need will not get that support.

It shows what can be done, in a sense. The qualifying period for the personal independence payment has been reduced, because people were not prepared to sit back and take it, which is good.

It is almost as though section 75 categories are being dismissed, because as the briefing paper states:

"The Equality Impact Assessment document does specifically state that the Department does not, as a matter of course, monitor religious belief, political opinion"

and so forth. It also states:

"social security benefits are paid to individuals on the basis of entitlement and conditions"

It is the condition that is the problem, because a disability directly impacts on a person's ability to receive certain benefits. So, it is your condition that dictates what you may or may not be getting.

The other issue for people with a disability is encapsulated in the following:

"Some respondents (12 (46%)) expressed the opinion that the Equality Impact Assessment showed the Department had no real understanding of the issues facing disabled people and that the adverse impacts have not been assessed properly. A number of respondents were particularly concerned about the impact on those with intellectual, mental or communication disabilities and their ability to comply with certain requirements for benefit."

Some people might say that those people have been and are being ignored in the context of so-called welfare reform. I think that that is something that needs to be addressed. You can dismissive about the responses and the numbers, but that is the message that is coming out. Fra is right: we have spoken to most, if not all, of those groups. They are not happy, and they will continue to be unhappy. This is an enabling Bill, and you are saying, "We will see how it goes". We know how it is going to go if the Bill is retained in its current form, and I think that that is the worrying part for people.

Ms McCleary:

I will pick up on two of those points. You talked about the categories and mentioned that we have not covered some of the section 75 categories. That is because sexual orientation and political opinion are not the kinds of things that we routinely ask about or at all when someone comes into a jobs and benefits office. In fact, we would get into major trouble if we started to ask questions about such things. I do not think that most people would welcome being asked about that. That is why we do not have such information and why we are unlikely to have it, other than by doing some kind of comparison with a family resource survey or something like that, which might have that kind of information. That is why there are certain categories that we do not need to know about for business needs. We, therefore, do not have that information.

Mr Brady:

With respect, that is not what I was saying. There is no reason necessarily why someone should be asked about their political beliefs or sexual orientation. I am talking about disability. A large group of people are going to be affected by this because a disability relates directly to "condition". I think that we are talking about two different things.

Ms McCleary:

I apologise if I took you up wrongly. There are consultations out on disability at the minute. The latest version of the descriptors, which includes the points that are being allocated to the various tranches, is out for consultation. That is certainly up for debate at the minute, and there is still an opportunity to contribute to it. In fact, a number of the disability groups' representatives were involved in drawing up those descriptors.

However, we are tending to veer into the merits of the reforms. We have looked at this, and we will continue to look at it. I imagine that we will come back and have a discussion with you — specifically

on the EQIA — about something such as the introduction of PIP. That may not be the case for other reforms, but I would think that it would certainly be the case for PIP.

The Chairperson:

Anne, I have a question that I do not necessarily need a response to today. I do not want to pick you up wrong, and I want to give the Department time to think about this. A fairly fundamental issue of concern to me is that there may not a routine read across to section 75 categories for all policies. I would like some response from the Department to the Committee, at some stage, as to how that is done. That is fairly fundamental to the work that has been going on.

Mr Douglas:

Thank you, Anne, for your presentation. I got a text from Gregory Campbell this morning to apologise for not being here. He was at the House of Commons last night, where all the DUP MPs voted with the Labour Party for the amendment. That shows the strength of feeling not just here but right across the Assembly. It is obvious that the Tory party in particular wants to steamroll out the changes against the most vulnerable in our communities.

I have a couple of questions, which are more technical than anything else; I do not want to get into all the details. The brief mentions the online aspect of the consultation. Are you happy enough with that? There are obviously a whole lot of people out there who do not have online access, and elderly people in particular may not be confident about going online. Are you confident that you got a decent response?

Ms McCleary:

That would be the norm for consultations that we are involved with. There was a lot of publicity on the EQIA and the consultation's being available. We went out to over 100 groups individually with hard copies, so I think that we are satisfied with it.

Mr Douglas:

The paper also says that some people raised concerns that the consultation was not based on relevant Northern Ireland-specific data. Is the consultation that is taking place Northern Ireland-specific?

Ms McCleary:

The information that we based the EQIA on was as Northern Ireland-specific as we could make it. I am not going to claim that it was absolutely perfect. Fairly recently, we received a policy simulation model from DWP that our statisticians are currently working through. That will give us further information about the Northern Ireland-specific data. That information will be fed into the process as we proceed, particularly for any further EQIAs or regulations that we are involved with. So, we will have some further information. That is starting to feed through already, but I am not in a position to say a lot about it at this precise moment. We have not had time to look at it.

Mr Copeland:

I am sure that Sammy would agree with me to some extent when I say that I have seen more paper in the past 10 months than I have in the past 20 years. The more paper I see, the more difficulty I have in discerning the difference between what is said and what is meant. It is about where that difference lies. The first line in your summary says:

"21 respondents generally welcomed changes to the benefit system".

And so it goes on, ad infinitum. From reading the rest of the paper, it is my gut feeling that people generally welcome changes to the benefits system but not these changes.

Ms McCleary:

You have hit the nail on the head.

Mr Copeland:

I am sorry if that is brutal, but that is my view of it. I understand that section 75 gives us additional protection. However, I want to flag up the very deep concern that I have on each individual issue, because, in reality, this will affect people. The question is whether it discriminates or hurts them all equally. That is not a position that I am happy to be in, but it is where we are. I do not think that the findings of this equality impact assessment should lead us to the conclusion that there is a warm feeling for the proposals among the general population —

Ms McCleary:

I do not think that anyone is suggesting that.

Mr Copeland:

— or the 21 respondents. I would like that on the record.

The Chairperson:

I acknowledge that concerns are expressed in members' meeting papers and that they have been tabled for our information.

Mr Easton:

There is no doubt that every one of us here is deeply concerned about what is coming down the tracks at us with this. Let us say that what is coming clashes with our section 75. Do we have the scope to go back and tell Westminster that it clashes with section 75, which you lot foisted on the unionist community through the Belfast Agreement? Would that give us scope to negotiate?

Mr F McCann:

You are very aggressive this morning.

Ms McCleary:

That sounds a bit political.

Mr Brady:

Somebody did not have his Weetabix.

The Chairperson:

Let us not digress. That debate has been settled.

Mr McClarty:

And you are sitting where you are because of it.

Mr Easton:

We are here because of the St Andrews Agreement, so it is all right.

The Chairperson:

Anyway, let us not digress into a political discussion.

Ms McCleary:

The point of the section 75 requirement is that we have an equality impact assessment to look for differential adverse impacts. If we find such impacts, we need to advise you as to what mitigating action will be taken. That is what we have tried to do. Some of the mitigating actions may be for the Executive, because some ways of dealing with issues, such as childcare, are for not just our Department but others'. There are all sorts of other issues and areas that can perhaps be looked at. It is highly unlikely that something that comes up in one of our section 75 groups would not affect GB as well.

The Chairperson:

Michael, you had a question.

Mr Copeland:

It was covered.

Mr Durkan:

I want to put on record that I share the concerns that other members raised. By its nature, welfare reform affects the most vulnerable people, and the responses to the consultation confirm that.

Mr F McCann:

On the back of what Alex said, if the evidence collected during the consultation clearly indicates that the Bill will have an equality impact on quite a number of groups of people, where do we go from there with section 75? Does the Department have a responsibility to bring that to people's notice? How do we action that afterwards?

Ms McCleary:

We are still in the consultation mode. Although the deadline for consultation has expired, we still have to hear from the Committee, which will be an important part of all this. We will then look again at any additional data that we have. We will base the EQIA response on the data that are there, not on what, to be brutally honest, could be perceived as hearsay. We have to base this on the evidence that is available to us.

Mr F McCann:

What is the sense of carrying out a consultation —

Mr Pollock:

If particular proposals in the Welfare Reform Bill were flagged up and there was evidence to support that they would have an adverse differential impact, the process is that we would have to ask the Minister, "Are you happy to live with that"? If he said yes, there would not be mitigating action. If he said, "No. I am not happy with it for people with disabilities or lone parents or whatever, so what are you going to do about it?", that goes back to the issue of whether we can do anything within the social security system. The parity issue means that the answer to that is that we probably cannot. So, can we do anything outside of that, by way of an initiative from another Department, such as a childcare programme or some other sort of initiative? That would go back to the Executive. If they were so minded that they could not live with the adverse differential impact, they would scale the moneys out to do something in that respect.

The Chairperson:

OK. We have had our discussion this morning. Obviously, Anne and Michael, members raised issues that address the fundamentals of the reform itself. However, we want to focus on the EQIA and consultation responses. My view, which I think is shared, is that there is a key question mark around the available evidence and where section 75 fits into that equation. The Committee will need to return to those questions.

I have just one wee question for you, Anne. You mentioned the policy simulation model. May we have a sense of that as soon as we can?

Ms McCleary:

We will do our best. It is —

Mr Pollock:

We have a synopsis of what the policy simulation model actually does. It is very technical, but I will talk to our statistical people and see whether I can put together a brief to send to you.

The Chairperson:

Make a note to that effect, if you do not mind.

Mr Pollock:

It is useful insofar as it tells you what it does, but it also tells you what data limitations mean you cannot do.

The Chairperson:

OK. That may be helpful. Thanks very much.