



Northern Ireland  
Assembly

Committee for Social Development

# OFFICIAL REPORT (Hansard)

Welfare Reform Bill: Universal Credit  
(Clauses 1-44)

10 October 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)  
Ms Paula Bradley  
Ms Pam Brown  
Mr Gregory Campbell  
Mrs Judith Cochrane  
Mr Michael Copeland  
Mr Sammy Douglas  
Mr Mark Durkan  
Mr Fra McCann

**Witnesses:**

Ms Martina Campbell	Department for Social Development
Ms Anne McCleary	Department for Social Development
Mr Michael Pollock	Department for Social Development
Ms Margaret Stitt	Social Security Agency

**The Chairperson:** I welcome formally officials Anne McCleary, Michael Pollock, Martina Campbell and Margaret Stitt. Thank you very much for being here. You are very welcome. I hope that you get home a wee bit earlier this evening.

Obviously, the purpose of today's session is to deal with all matters that relate to universal credit, which is covered by clauses 1 to 44 of the Welfare Reform Bill. During this session, officials will outline that particular part in as much detail as they can. I remind members that the purpose of the session is not to debate the issues, but to have the Bill and that particular set of clauses explained and for members to explore the detail of that. On that basis, members may raise any specific issues with the officials.

As per our schedule, which members have agreed, we intend to have a number of these sessions to work our way through the Bill clause by clause. We plan to have formal clause-by-clause scrutiny of the Bill on 13, 14, 15 and 20 November. All of that is leading up to our explanations. Of course, in the meantime, we will have plenty of time as a Committee to debate our approach to those clauses. This is an information-gathering exercise in the first instance.

I, therefore, welcome Anne and her colleagues this morning. The floor is yours for your presentation to the Committee.

**Ms Anne McCleary (Department for Social Development):** Thank you very much for giving us this opportunity to talk to you about where the Bill is going. As the Minister said during the debate, the scrutiny of the Bill is particularly important. We welcome suggestions that members may have about where we in Northern Ireland go with the Bill. I stress that at the outset; it is particularly important.

We plan to take you through the universal credit clauses, discuss with you what the various clauses are about and what they are intended to do, and give you as much information as we can at this stage about any of the detail around it. At the previous Committee meeting that we were at, we discussed the benefit cap. A member asked whether child benefit was included in the benefit cap. At that point, we were unable to give you a definitive answer, so we assured you that we would check the position and revert to the Committee. We can now confirm that there is a list of benefits that will be taken into account on the NI Direct website. The Welfare Reform Bill does not give a list of which benefits are going to be included in the benefit cap, but the NI Direct website does. I will tell you very briefly what is there: bereavement allowance; carer's allowance; child benefit; child tax credit; employment and support allowance, except where it is paid with the support component; guardian's allowance; housing benefit; incapacity benefit; income support; jobseeker's allowance; maternity allowance; severe disablement allowance; widowed parent's allowance; widowed mother's allowance; widow's pension; and widow's pension age-related. Those are the benefits that are intended to be encompassed in the benefit cap. That gives you the definitive answer: child benefit is on that list. That gets that out of the way.

A number of other questions were asked, but they were for written answer. Those will be available shortly.

I will now introduce my colleagues, some of whom will be familiar —

**The Chairperson:** Anne, can we just leave that? A couple of members have indicated that they want to come in on the previous point. Sorry about that.

**Mr F McCann:** Thanks for that information. I do not know whether we can have that list of benefits rather than having to go to the website. Is it possible for that to be shared with us?

**Ms McCleary:** Yes, certainly.

**Mr Copeland:** This is a very small point, Anne, and it may seem pedantic. You gave a whole list of things and described them as benefits. We are now dealing with something called credit. What is the difference between benefits and credit? Why has the language been changed?

**Ms McCleary:** The simple answer is that I do not know.

**Mr Michael Pollock (Department for Social Development):** It is possibly something to do with the concept of incentivising people to work; you get credit for the hours that you work. It could be something to do with that policy rationale.

**Ms Martina Campbell (Department for Social Development):** It is also to do with the fact that the universal credit will be payable to people in and out of work. We will be dealing with a different type of clientele.

**The Chairperson:** If you are not in work, you are getting benefit, and if you are in work, you are getting credit. That is good; it is a nice difference. When we are going through the clauses, if members need to intervene, it might be useful to indicate that through the Chair. We will work on that basis.

**Mr Douglas:** Obviously, I have not been on the Committee for quite some time. I am delighted to be back, in some ways. Have all the clauses that we are going through been accepted in the rest of the UK?

**Ms M Campbell:** Yes, they are in law.

**Ms McCleary:** I will introduce my colleagues. To my extreme left is Margaret Stitt, who comes from the Social Security Agency and is involved in the operational side of this. We thought that it would be helpful for the Committee to have somebody with operational experience here in case there were

questions around how that works out. Martina, whom you have met previously, leads on the universal credit aspect of the Welfare Reform Bill. Michael, whom, again, you know of old, is the Bill leader. Therefore, that is who we all are and what our individual responsibilities are. Martina will now take you through the clauses on universal credit.

**Ms M Campbell:** I refer members to the explanatory memorandum. Members may find it easier to understand than the clauses, so I propose to work between it and my brief.

Clause 1 establishes universal credit as a new benefit under the provisions of Part 1 of the Bill. Universal credit is a modern, simplified benefit that will be available to people who are in work as well as those who are out of work, instead of their claiming a number of benefits and tax credits from different sources. Therefore, I remind members that universal credit is replacing income-based jobseeker's allowance, income-based employment support allowance (ESA), income support, housing benefit, working tax credit and child tax credit.

The policy intention is that universal credit will be simpler to understand and designed to make work pay. The introduction of a single taper on earnings means that claimants will see clearly how their benefits, or universal credit, will adjust as their earnings increase. Therefore, depending on a claimant's circumstances, universal credit may include a standard allowance, as benefits do now, and additional amounts for children or young people, an amount for housing costs, and amounts for other particular needs or circumstances, such as disability.

Clause 2 deals with claims. It sets out the basic requirements for claiming universal credit. As members are aware, the intention is that people who are in a couple, whether they are married, in a civil partnership or cohabiting, will make a claim as a single person. Single people will be able to make claims individually in their own right. The concept of joint claiming is not new. It should be familiar to claimants of jobseeker's allowance and tax credits, which already provide for joint claims.

We will move on to clause 3 —

**The Chairperson:** Sorry, Martina. Can we deal further with clause 2? Michael has a query.

**Mr Copeland:** I just want to check whether the definition of a couple is gender specific.

**Ms M Campbell:** No. It includes civil partnerships and same-sex couples who live together. The arrangements are more or less the usual ones that are used to ascertain whether a couple, regardless of sex, is entitled to benefits.

**Mr Brady:** Sorry that I missed a bit there. I would like clarification that, although the couple — whatever the definition — can claim separately or as a single person, their benefit or income will be aggregated.

**Ms M Campbell:** Yes.

Clause 3 provides that claimants must meet basic and financial conditions to be entitled to universal credit. Clauses 4 and 5 make further provisions relating to that, so it is all linked. As I have said, universal credit is an income-related benefit that combines support for people both in and out of work. Therefore, claimants need to meet financial conditions — their earnings cannot be above a certain level — as well as basic conditions around residency and all the usual things.

Clause 4 sets out in more detail the basic conditions that must be met in order for people to be entitled to universal credit. Those cover things such as age, residency, education and, importantly, acceptance of the claimant commitment that sets out the person's responsibilities in relation to their award of universal credit. Universal credit will be a benefit for working-age people. Working-age people are defined as those at the age at which you qualify for state pension credit. It is available to people over 18. There will be some exemptions for under-18s, namely lone parents or people under that age who are disabled or estranged from their parents. That position is the same as it is now in benefit.

Where one half of the couple is over pension age and the other half is younger, we will require that couple to make a claim for universal credit. The reasoning behind that is that it is not fair that a couple in which there is a younger partner is not required to seek work. As members will be aware, the Government moved in 2011 to remove the default retirement age, and that means that people can

continue to work for as long as they wish. We heard the arguments last night about work being good for emotional, physical and mental well-being.

As is the case now, people who are in full-time education will not generally be entitled to claim universal credit. That is because there are other means of support for full-time students. Clause 4 also introduces the basic condition that each claimant must accept a claimant commitment. That is a type of contract or agreement between the claimant and the Government that the claimant will take certain steps in return for being supported. The more detailed provisions relating to claimant commitment are in clause 14, so we will talk about those later.

The claimant commitment will set out clearly what is expected of the claimant. It will be personalised to each claimant. We will talk about this later, but claimants can restrict their availability for work to fit in with their childcare arrangements and all of that. That is clause 4 in a nutshell.

**The Chairperson:** OK, Martina. Please pause for breath in case anybody wants to come in with a question. It is not compulsory to come in on every clause.

**Mr Brady:** You kind of answered the question that I was going to ask about the uniformity of the claimant commitment.

**Ms M Campbell:** Yes; it is personalised.

**Mr Brady:** It is in clause 14. Maybe I will think of something to ask you.

**Ms P Bradley:** The part about being resident in Northern Ireland refers to oil rigs, working on ships and stuff like that. What about Territorial Army soldiers? How does it work for them?

**Ms M Campbell:** If they are away on manoeuvres, they will be, as now, treated as residents.

**Mr Pollock:** There are provisions to allow for that.

**The Chairperson:** It was passed recently, as I remember.

**Ms P Bradley:** I thought that there was something — I remember hearing something about it; I just wanted it clarified.

**Ms M Campbell:** We are also looking at the case of claimants who are resident in the South of Ireland but work in the North of Ireland. They are contributing to our taxes. Those claimants are entitled to tax credits. Are there any other questions?

**The Chairperson:** No; you can move on. Thank you.

**Ms M Campbell:** Clause 5 is about the financial conditions. It builds on the entitlement provisions in clause 3 and talks about the income test. It needs to be considered in conjunction with clause 8, which is about how the award is calculated. The key aspect of universal credit is that benefit will be reduced on a tapering basis. Claimants will be allowed to retain more of their earnings. The proposed taper at the minute is that the claimant will be allowed to retain 35p in every pound, which is substantially more than they are allowed to keep at the minute. In a lot of benefits, for every pound they earn, they are knocked out after, I think, £10 or £12.

**Mr Pollock:** It could be as low as a penny. This is to do away with those sorts of cliff edges and to try to get out of the benefit trap whereby people do not find it worthwhile to go to work. It is designed to smooth out those rough edges.

**Ms M Campbell:** Sorry, Chair; did you want to ask a question?

**The Chairperson:** Have you finished your explanation of clause 5?

**Ms M Campbell:** Yes. I can take a question.

**The Chairperson:** We will let you go through all your explanation for the particular clause, and then there will be a brief stop for members to be brought in. A number have indicated. If we work on that basis, we can get it smoothly worked out.

**Mr G Campbell:** I would like to have had an example. I listened to Michael talking about the rough edges, but do you have a couple of examples of where changes, for somebody who is on a particular level —

**Ms M Campbell:** We can bring those back after lunch.

**Mr Pollock:** There were certainly some working examples.

**Mr G Campbell:** It would help if we could see a working, practical and reasonable example of the difference.

**Ms M Campbell:** We will bring that back to you after lunch.

**Mr Copeland:** In the case of a parent or carer who derives income from the child maintenance and enforcement division, would that be calculated as income?

**Ms M Campbell:** I cannot think off the top of my head. I will come back to it after lunch.

**Mr F McCann:** This may be in another part of the Bill, but if somebody applies for universal credit, is there an amount of money that they can have and that is disregarded before they can —

**Ms M Campbell:** Yes. I am going to come on to that now.

Clause 5 also puts a limit on the amount of capital that a claimant can have. Again, it is similar to the current position. Their benefits would be adjusted on a tapering basis. We can come back to this after lunch.

We will flick forward to clause 8. It sets out the way in which universal credit will be calculated. A maximum amount of universal credit is available. From that, you would deduct the amounts that need to be taken away because of earnings and any capital or unearned income from those people who are lucky enough to have trust funds, etc, or, perhaps, occupational pensions.

It also provides that the maximum amount of universal credit is calculated by adding all the elements together; that would be the standard allowance plus any amount for a child or young person, disability premium, housing costs, etc. It also includes an amount for childcare costs. Under universal credit, the Government are removing the minimum number of hours that a parent is required to work before help will be given with childcare costs. This is good news, which will, obviously, encourage many women to take up part-time jobs of less than 16 hours a week.

**The Chairperson:** Is that your explanation of the clause?

**Ms M Campbell:** That is more or less it, yes.

**Mr Brady:** I know that I asked you this question last week, Anne, but, perhaps, you will clarify the issue. At present, under working tax credit, an awful lot of parents are losing out on the childcare element because of the restriction on registered childminders. They are few and far between. Will that restriction be kept? If so, it will disenfranchise many people and will disincentivise them from going to work.

**Ms M Campbell:** This is a big issue. We are dealing with it within the constraints that the legislation allows. As the member knows, the Department of Health, Social Services and Public Safety's guidance is that a child should be with a registered childminder. As the member may be aware, the Department for Employment and Learning (DEL) already pays informal childcare costs when a claimant attends a programme organised within that structure. Our colleagues in DEL are consulting on their new programme, which I think is called Steps 2 Success. In that, they have considered the issue of informal childcare. They are considering putting a requirement on the training provider to make some kind of payment.

**Mr Brady:** It is obviously a child-protection issue and is, therefore, not to be minimised. There is a restriction on informal childcare, which historically would have been provided by a mother or grandmother. When I was in the voluntary sector, we actually tried to encourage people. I went out with social services when they were recruiting or trying to recruit people as registered childminders. The difficulty is that if your sister or mother looks after your child, she must also look after at least one other child who is not related to her, which is a huge responsibility. I know that it is a Health Department issue as well as an issue for social services. Has there been any real interaction or engagement with them? I know that DEL is taking what might be considered to be a sensible approach. Has there been any interaction?

**Ms M Campbell:** Yes. Colleagues in the Social Security Agency are represented on the Office of the First Minister and deputy First Minister's (OFMDFM) childcare strategy group. Certainly, in evidence from the economic appraisal that OFMDFM conducted a while ago on childcare provision in Northern Ireland, the whole issue of informal childcare was raised.

**Mr Brady:** I reiterate that child protection is paramount. It needs to be put first.

**Ms M Campbell:** Yes. Anecdotally, informal childcare is much higher in Northern Ireland, probably because, geographically, most of us do not move more than five miles from our home place.

**Mr Brady:** It is also because of the infrastructures of families and extended families.

**Ms M Campbell:** Absolutely; yes.

**Mr Copeland:** You spoke a few moments ago about the impact of some of these changes in assisting women to work extra hours on the basis of childcare. Is that gender-specific? A considerable number of fathers have charge of their children.

**Ms M Campbell:** No, it is not.

**Mr Copeland:** So, it works as well for fathers as it does for mothers.

**Ms M Campbell:** Yes.

Clause 6 provides regulation-making powers for restrictions on entitlement even though the basic and financial conditions are met. The regulations will set out the circumstances, and members will see those regulations. That includes particular groups of people, such as prisoners and people involved in trade disputes, and children leaving full-time care who remain the responsibility of trusts. As I said, details of the specifics will be set out in regulations.

The power might also be used to exclude people such as members of religious orders who are fully maintained by their order. It may also be used to remove entitlement for a short period. There will be a waiting period for entitlement. If you are unemployed or need the benefit for only three days, for example, the credit may not be paid because of the administrative cost of processing it.

**Mr Copeland:** Entitlement would be inappropriate in the case of prisoners, for example. Is there a potential clash if the prisoner is the designated head of household? Is there a likely scenario in which the family for which someone is the designated head of household could be deprived of income while that person is on remand or awaiting sentencing?

**Ms M Campbell:** The other person would make the claim in that case.

**Mr Copeland:** Yes, but there will be a lapse between the old claim being paid and the other person, in light of changed circumstances, being able to make the new claim. That will leave a void in which they may be deprived of income.

**Ms M Campbell:** They may be deprived of income but only while the claim is processed.

**Mr Copeland:** It is then dependent on how long the claim takes to process and on the impact.

**Mr Pollock:** There are a hardship provisions that will cover those sorts of eventualities.

**Mr Copeland:** All will be explained.

**Ms M Campbell:** It will be the same position as it is now when the head of household enters prison.

**Mr Brady:** Are those what were termed waiting days?

**Ms M Campbell:** Yes.

**Mr Brady:** They applied to everybody. Will that be the same?

**Ms M Campbell:** Yes.

**Mr Brady:** So, what we are really talking about is changing the terminology.

**Ms M Campbell:** Yes.

**Mr Brady:** So, nothing has changed in that respect.

**Ms M Campbell:** No.

**Mr Brady:** You are still depriving people of benefit for three days; that is really the point.

**Mr Douglas:** I read something — I am trying to find it — that stated that young people and education would be mentioned in this clause.

**Ms M Campbell:** Do you mean where those young people are part of the family and in full-time education up to the age of 19 or whatever?

**Mr Douglas:** Yes.

**Ms M Campbell:** They will be covered in the same way as they are now.

**Mr Douglas:** They will be specified.

**Ms M Campbell:** Yes, they will be specified.

**The Chairperson:** Clause 7.

**Ms M Campbell:** Thank you, Chair. I have so many papers here that I do not know whether I am coming or going.

Universal credit will follow the practice established in most existing benefits and tax credits, whereby benefit is assessed and paid for a specified period. The effect is to make payments more predictable and clarify when changes in circumstances should be taken into account.

Clause 7 provides that universal credit is payable in respect of each complete assessment period while the claimant is entitled. The clause also provides regulation-making powers to cover when an assessment period starts and to provide for payments of universal credit for shorter periods. In existing out-of-work benefits, the assessment period is normally a week, with a fortnightly payment cycle, but universal credit will normally be paid on a monthly basis as a monthly payment cycle will fit in with the usual cycle of earnings for people in work.

For those who are out of work, the whole policy intention of universal credit is that it will mimic a salary for paid employment and help to smooth the transition into work. Some households will need more help to budget. We heard a lot about that in the debate last night. Under the clause, the Department has the power to make payments more frequently than monthly, and it will use guidance to set out the circumstances under which it can do that.



**Mr Brady:** On the prescribed period; it might be mentioned later, but I want to check about habitual residence. Case law to date is fairly sketchy, because you become more habitually resident the longer you are here. For some offices, a person could be here for a week and the prescribed period could start within a week of the claim. For other offices, it could start within three months. It is a very arbitrary decision by decision-makers. Is this still going to apply? Essentially, we are talking about people who were born here, lived here and then moved to America or Australia to work. This came in, as you know, in 1995, under a Tory Government it has to be pointed out. You have to show that you are habitually resident. If you have children, they have to be registered at schools. If you are looking for a house, you have to be on the Housing Executive waiting list. Is that still going to be applied or will more cognisance be given to that? Will it be tightened up? What is that prescribed period? When do you become habitually resident? That is an issue, and it will become more so. I am making the point because a lot of our young people, because of a lack of work, have to go to Australia, in particular. At some stage, they may come back and have to claim benefit for relatively short periods. The habitual residence regulation is all about xenophobia; that is why it was introduced. There is no other reason. Is that going to be looked at? It may be dealt with later, but it needs to be flagged up.

**Ms M Campbell:** The intention is probably that the existing rules will carry forward. The basic principle is that what is not broken will not be fixed.

**Mr Brady:** The issue is that someone who comes in from the European Union immediately qualifies for benefit, but somebody who was born and reared here and goes away to work and then comes back does not qualify. That is quite difficult for them.

**Ms M Campbell:** There has been a lot of discussion over habitual residence. We will come back to you. It may not be today; I will certainly come back to that issue on Tuesday.

**Mr Brady:** It is really to get some uniformity.

**Mr Pollock:** It is probably the case that the residency conditions would carry forward in the same way that they are applied to the benefits today.

**Mr Brady:** The point that I am making is that there is no uniformity in the decisions of decision-makers. Somebody could be accepted as being habitually resident after they have been here for a week; somebody else might have to wait six weeks or three months. It is unfair. There should be uniformity; they need to say that they accept that someone is habitually resident after two weeks, three weeks or a month.

**Ms M Campbell:** That is a very good point about uniformity of interpretation of guidance. We want to make sure that the guidance is robust enough that there is —

**Mr Brady:** It is really to flag that up.

**Mr Copeland:** I want to test you on the statement you made a few minutes ago.

**Ms M Campbell:** "Test" does not sound good.

**Mr Copeland:** I will say "examine" then. I am not for one minute claiming to have heard correctly, but, if I am correct, you said that most people who work are paid monthly. Is that the case?

**Ms M Campbell:** I do have figures on this.

**The Chairperson:** Is that relevant to this particular clause, Michael?

**Mr Copeland:** You raised it, did you not, Ms Campbell?

**Ms M Campbell:** Yes, I did. According to the 'Northern Ireland Annual Survey of Hours and Earnings 2011', which was published in November 2011, 29% of employees indicated that their gross pay covered a period of one week, 4% indicated that it covered two weeks and 67% indicated that their gross pay covered a period of either four weeks or one calendar month. That is 67% of people in Northern Ireland from the period tested, April 2011, who confirmed that their salary was paid either four-weekly or monthly. That survey should shortly be updated.

**Mr Copeland:** Was any balancing exercise undertaken, because the vast majority of people who may be in line for universal credit will be those who work limited hours or who are on low incomes? I suggest that the vast majority of those, the people who would be most affected, are in the 29% that you referred to.

**Ms M Campbell:** Yes, the number of employees earning under £10,000 was queried. I will also submit these figures in writing. The group representing 67% is roughly 530,000 employees, and 142,000 of them were earning under £10,000. That comprised 11,000 full-time employees and 131,000 part-time employees.

**Mr Copeland:** What I am really driving at is the people who are going to continue to benefit — if that is the right word — from universal credit. In my opinion, the vast majority of them are low paid, and most are paid weekly. Those are the people who this will impact on, not the overall statistic.

**Ms M Campbell:** Yes, and that is why the Minister is on record as saying that he is looking at payment frequency.

**Mr Copeland:** We shall await the outcome of his deliberations with interest.

**Mr G Campbell:** On the point about more frequent payments, I can see the logic of preparing people to get into a work environment. Most people are likely to be paid monthly. I presume that a nucleus, a hard core, of people may prefer to get more frequent payments, say weekly. It may be the case that they are less likely to be more easily prepared for work and more likely to be welfare-dependent. Therefore, will that not lead to the more frequent payments over a reasonably short period becoming the norm because they have been used to that and because the offices that are preparing it understand that that will probably be the case for the foreseeable future? If you like, the exception becomes the rule. How will that work?

**Ms M Campbell:** Colleagues, including, in fact, Margaret, are involved in that work, so I will let her speak more on it. The Government, in the form of the Department for Work and Pensions (DWP), are developing a range of financial products, and people will be helped to work out budgets. Further work will be done with banks in developing specific banking products. I will let Margaret answer that.

**Ms Margaret Stitt (Social Security Agency):** As Martina said, DWP and the Social Security Agency are working very closely with banks at the minute. They are developing a range of products to support those people to cope with the transition.

There are three big changes on the financial side. First, the payment of the housing element will be made directly to the claimant. This has been agreed in GB. That will be the monthly payment and the single household payment. It is recognised that some people will need more help than others for all the reasons that you stated. The majority of people will be used to getting paid weekly or fortnightly. I do not have the figures, but quite a number of people are paid fortnightly.

We are developing a range of products to help people along the way. We intend to start quite early in the process, from the time that they speak to the personal adviser about job opportunities, and so on. They will probably be taken through an online tool that will tell them how capable or otherwise they will be to cope with the budgeting aspects. If the answers to the relevant questions flag up as amber or red, they will be given help.

Help could be a range of things. They could be signposted to various websites, for example. We know that this is not suitable for everybody, but it is one extreme. On the other extreme, people might have to be provided with face-to-face budgeting advice. A range of things is being developed. A couple of weeks ago, GB issued a prior information notice to the financial sector, and Northern Ireland was included in that. They hope to award the contract around April 2013. We are linked with them. Anything proposed has to be relevant to NI.

**Mr G Campbell:** The nub of this is that there will probably be a number of people — we do not know how many — who will go through all that signposting, assistance, direction and help but, at the end, still prefer, demand or be guided along the lines of the continuation of fortnightly or weekly payments. They need the assurance that the answer will still be yes after all that help.

**Ms Stitt:** We are not in any doubt that there will always be people who are paid weekly.

**The Chairperson:** Margaret, you might have referred to this, but are there discussions taking place with the banks here as well?

**Ms Stitt:** No, we are not having discussions with the banks here. It is being done on the mainland. Forty-eight or 50 financial institutions turned up to the information day last week, and Northern Ireland banks were represented among them.

**Mr F McCann:** I will be brief, because Gregory has asked the question. Could we get a list of the financial products you talked about? As Mickey said, you could call it wonga.com, as people will not be able to understand it. What we have to remember in all this is that people are already being paid at subsistence level. The only thing that financial institutions would be after is the tender and the money that it brings. They will not want to sit and explain to people who are getting £50 a week how they should spend that money over the week.

**Ms Stitt:** I need to check that out, because it is commercial at the minute. It is very early days. The information day was last week.

**Mr F McCann:** The other thing is that the vast majority of people here who are paid benefits are paid through the Post Office.

**Ms Stitt:** I know.

**Mr Brady:** That was a question I was going to ask. You mentioned banks; you did not mention the Post Office.

**Ms Stitt:** Post Office is there, too.

**Mr Brady:** People probably find Post Office accounts easier to access, because they use the Post Office for other reasons.

You say that there is a contract out for the "products", whatever they might be.

**Ms Stitt:** A tender will be going out.

**Mr Brady:** So, a private company is going to come in and, essentially, talk to people about life skills and budgeting. Has any thought been given to the resources that might be put into the very vibrant and strong voluntary sector we have here, which is much, much better than what they have in Britain, that deals with those problems on a daily basis? Obviously, you are not in a position to say who is tendering. In my constituency, as part of Advice NI, Debt NI does tremendous work with a very, very small budget and only two workers. The amount of work that it does in relation to debt is phenomenal. It is about organisations like that. That is a wider issue, but the Minister has mentioned putting more money into advice services. It seems to me that the people who are better qualified are the people I am talking about, rather than Atos or its equivalent swanning in with a lot of money and not necessarily having the required effect.

**Ms Stitt:** I mentioned the banks, but I used that term loosely. It was all the financial institutions.

**Mr Brady:** In fairness, you did say financial institutions.

**Ms Stitt:** That includes credit unions, as Martina has just reminded me. Nothing is off the table here. We are in contact and in discussion with the voluntary and community sector. In fact, we are having a stakeholder event in a couple of weeks, at which we hope that the sector will help us in determining how we identify the groups of people who are going to find it most difficult to cope. It has all the experience, you are right.

**Ms M Campbell:** To conclude, it is important to remember that the legislation does have flexibility built in to it already for payment to be made on a more frequent basis in exceptional circumstances. Again, the Minister is on record as saying that the issue of payment frequency is one of the flexibilities that he is continuing to pursue with the Department for Work and Pensions.

We move on to clause 9, which is about the standard allowance. Clause 9 is the cornerstone of universal credit and allows for a standard allowance for each adult single person or joint claimants. The standard allowance is the core cash component of any universal credit claim intended to help with living expenses. On that, will be a number of building blocks; for example, housing cost, children, disability and childcare. There may be situations where no standard allowance is appropriate; for example, if the person is in prison. However, the person in prison, as is the position now, will be allowed help with housing cost, if it is a short-term prison sentence — for example, for not paying a fine — so that their house is protected. That provision will carry forward.

The rates of the standard allowance will be set in regulations. There will be separate rates, as now, for single people and couples and lower rates for young people. The normal rules will apply to uprating. Again, it is considered that the consumer price index is the most appropriate measure to use. I can confirm that the regulations setting out the allowances will be brought before the Committee and before the House for confirmatory procedure.

**Mr Copeland:** Just a possible anomaly. I was quite clear in my mind a few moments ago; it has become a bit more cloudy. Take the scenario where the male, for example, is the head of household and getting payments, and is the tenant of a private landlord, with the replacement housing benefit being paid directly to the landlord. If that head of household finds himself on remand or in prison, is there a mechanism by which the transfer of the entitlement for the payment of the housing element can be made from the prisoner, who has lost his entitlement, but who is the actual tenant of the property, to his partner, who may be living with him in the property?

**Ms M Campbell:** Whether there is a need to change would depend on how long he or she was going to be in prison. The remaining partner would be required to make a new claim.

**Mr Copeland:** Which could give rise to rent arrears?

**Ms M Campbell:** Possibly. That would depend very much on the situation.

**Mr Pollock:** There is cover, as Martina said, for circumstances where an individual is on remand, to ensure that there is no chance of them becoming homeless because they are on remand for not paying a fine or something like that. If someone is going away for a long period, the chances are that their tenancy is going to have to be looked at as well. The remaining partner would have to claim in their own right and look at the tenancy agreement.

**Mr Copeland:** Can a private landlord make direct payment a condition of the tenancy he offers people?

**Ms M Campbell:** *[Inaudible due to mobile phone interference.]*

**Mr Brady:** On the point Michael made, if someone is on remand, it is my understanding that their tenancy can be protected for six months and, because of the nature of remand, up to a year. You would assume that if somebody was sentenced to a longer sentence, that would give time enough for the housing benefit aspect to be sorted out. That might not become a big problem. It has been my experience, over the years, that that is what happens. Some people can be on remand for two or three years, but, after a year, the whole thing would have to be considered in light of how long it was going to take. That might not be as big a problem as we think.

**Ms M Campbell:** Moving on to clause 10: responsibility for children and young persons. The clause provides for an amount to be included in the calculation for children or qualifying young people. To take the point that Mr Douglas made earlier, that would include young people in certain types of education. An additional amount will be payable if the dependent child or young person is disabled and consistent with the objectives of universal credit. This element of universal credit will replace what is now known as child tax credits and take over its role as the main source of extra support for children in low-income families. Child benefit will continue to be paid in the same way it is now, which is primarily to the main carer, usually the woman.

Integrating support for children with other elements of support in universal credit will bring clear advantages by removing the need for parents to make numerous claims for all the different benefits: child benefit, child tax credits, working tax credits, etc. It is hoped that this will make the benefit

simpler to understand, and make it easier for people to understand the advantages of either taking up work opportunities or increasing their hours.

The regulations will specify the rates for children and young people and the additional premiums. The regulations will be brought before the Committee and will be confirmatory. That is my explanation of that clause.

**Mr Brady:** When the child tax credit was introduced, it knocked a number of lone parents off income support [*Inaudible due to mobile phone interference.*] The child element was taken away. [*Inaudible due to mobile phone interference.*] They lost passport benefits.

You do not have the rates, presumably, because those are part of the regulations. Is there any idea at this time whether they will be equivalent to the current rates, because they are prescribed rates, presumably. We have no idea at this time what the rates may be.

**Ms M Campbell:** The rates have not, and will not, be finalised until closer to going live, but I expect them to be around the same as now.

**Mr Brady:** At the moment, child benefit is a qualifying benefit for a dependent child. In other words, you can get benefit, be that child tax credit or the old income support, for a child for whom you were getting child benefit. Is that likely to remain the case?

**Ms M Campbell:** I cannot confirm that, but I imagine that those conditions would carry forward.

**Mr Brady:** Is it possible to find that out?

**Ms M Campbell:** I will find that out for you. It may not be today, but I will get back to you next Tuesday.

**Mr Brady:** That is fine. They are reverting back to including it in universal credit. Child tax credit was administered by HMRC, so it will be back into social security.

**Ms M Campbell:** I am not sure about that one.

**Mr Douglas:** Martina, you mentioned additional premiums. Will you say a bit about that?

**Ms M Campbell:** They will be additional premiums for disability, other housing costs and such things.

I move now to clause 11 on housing costs.

**Mr G Campbell:** Chair, I have a housekeeping issue. I am conscious that officials said that they would come back in the afternoon on a number of issues that were raised earlier. That is understandable. I am also aware that a number of members have other Committee business in the afternoon. Are we likely to be quorate when the other information comes back?

**The Chairperson:** We are hoping to have this wound up by 2.00 pm. All the other Committees start at 2.00 pm, so, hopefully, we will have this completed. I am not cutting people, as this is obviously about making sure that we are clear on all the clauses. We are doing well, but I want to keep away from any running commentaries. I want members to stick to any clarification that they are looking for.

**Ms M Campbell:** We will also follow it up in writing, so any members who are not here will get the answer in writing.

Clause 11 is about housing costs, and it provides for an amount to be included for the support of housing costs within universal credit. It enables the award of universal credit to include such an amount if the claimant is liable to make payments on their home in the form of rent, mortgage costs or other housing-related costs.

As I said at the start, housing benefit will be abolished, and its rent element will be replaced by universal credit. The intention was certainly that that would be paid directly to the claimant rather than to the landlord. The Minister is on record as saying that he is pursuing with DWP the issue of direct

payments to landlords. The legislation, as drafted, allows for direct payments to landlords in exceptional circumstances, as it does for single payments and frequency of payments, but the volume of people who would require direct payments is the issue that we are pursuing with DWP.

The reforms to housing benefit will enable people to afford suitable accommodation but no longer enable them to live in accommodation that is out of the reach of working families. It requires people to make choices about where they live. It will also start to tackle the problem of underoccupancy in social sector housing by creating a financial incentive, by means of a reduction in the benefit, to move into appropriately sized accommodation.

I think that that is about all I need to say there.

**Mr Copeland:** I have a question on household size. In many cases, the much-dreamed-of ideal family does not exist. You could have a whole mixture of children with shared parental responsibility, which is now where you get two weeks of the child benefit or seven days' child benefit in 14. Will all the things that actually reflect the reality of the world as it is, as opposed to the reality of the world that we would like it to be, continue to be the case? In other words, if you have a single person or a couple who have access to children, who may be from previous relationships, three days a week, what is the effective size of that household? Is it the size that it is two or four days a week? Or is it the size that it is on the three days when those children are there?

Has any work been done on defining exceptional circumstances? We have heard that phrase quite often, and you think that it would cover everything. However, in my experience, exceptional circumstances are fairly well nailed down. We have to reserve a judgement on the impact for people by the actuality or the definition of the exceptional circumstances. Have you had sight of that as yet?

**Ms Stitt:** Exceptional circumstances cover the three elements: the housing element, the —

**Mr Copeland:** Direct payments, head of household.

**Ms Stitt:** A support and exceptions working group has been formed in GB, and Northern Ireland is part of that group. It is its responsibility to try to define exceptional circumstances as far as it can and as far as is practical. As I said, we intend to work with the voluntary and community sector. At an event a couple of weeks ago, we heard of some of the circumstances that would fall into that category. Work is ongoing in relation to that.

**Mr Copeland:** If I understand you correctly, there is a working group in GB, of which we are a part.

**Ms Stitt:** Yes; absolutely.

**Mr Copeland:** I would have thought that the best place in which to examine exceptional circumstances pertaining to Northern Ireland is Northern Ireland.

**Ms Stitt:** Absolutely, but we will lead on from there.

**Mr Copeland:** Right; OK.

What is the answer to my question about what constitutes a household?

**Ms M Campbell:** Is that in relation to how a household is defined?

**Mr Copeland:** Yes.

**Ms M Campbell:** A household, whether it is the couple and their children — do you mean the size?

**Mr Copeland:** There are things that flow from this about shared parental responsibility, where the father is the parent with care, and where the mother is the parent with care. Then there are the relationships with partners and extended half families. It is quite safe to say that, for two or three days a week, a couple and two children could be accommodated in a two- or, possibly, three-bedroom property. However, if you have another three children coming for three or four days a week, that is impractical. Is that factored in?

**Ms M Campbell:** Yes. I should have said that there will be regulations specifying more detail, and they will be brought before the Committee and are confirmatory. Therefore, those circumstances, where there are custody issues, will be specified in regulations.

**Mr Copeland:** I presume fostering or short-term fostering will be dealt with, as well.

**Ms M Campbell:** It will be the same.

**Mr Copeland:** Thank you.

**Mr Brady:** Martina, you mentioned suitable accommodation, so I presume that you were leading to underoccupancy. Housing stock was well debated yesterday. Will there be any definition about what is suitable or will it be kind of arbitrary? It was interesting that when Cameron was rationalising why they were not putting the mansion tax on, he was going on about people working hard and paying their mortgage, and he said that they should not be penalised for their house. However, many people here have worked hard and paid their mortgage and have ended up on housing benefit for various reasons. I am not sure how you can apply double standards. I am diverting slightly into a political rant. However, my point is like Michael's when he asked about the definition of exceptional circumstances. Will there be any sort of guidance or definition of what suitable accommodation is?

**Mr Pollock:** I think that there will be. It makes sense. These are not new circumstances. The underoccupancy clause and the supposed reduction in benefit that attaches to the underoccupancy of a particular property is a key element of this, but all the existing circumstances in housing and housing stock are not new issues. It is about how they are dealt with in the implementation.

**Mr Brady:** We hear a lot about underoccupancy. What about over-occupancy? That is one of the big issues for people who are in housing stress. Will a balance be struck where over-occupancy takes priority in the limited social housing stock for people —

**Ms McCleary:** Those issues are for our housing colleagues and for the Housing Executive —

**Mr Brady:** It will obviously impact to some degree on the housing aspect of universal credit. That is what I am trying to factor in.

**Ms McCleary:** There are huge issues around all this, and they are still being explored.

**Mr F McCann:** The Bill talks about a prescribed time for inclusion that will end after a prescribed period in which mortgage assistance may be paid. Is there any idea of how long that would be? Is it from the date of an application? Is there a period after that in which people would be paid? It used to be that you might have waited 18 weeks or 36 weeks.

**Ms M Campbell:** The whole issue of mortgage support was consulted on. I cannot —

**Ms McCleary:** Michael is more involved in that.

**Mr F McCann:** It would take you to be an expert in gobbledegook to understand the consultation.

**Mr Brady:** I thought that you were.

**Mr F McCann:** Mickey says that I am an expert in gobbledegook. Given the financial circumstances, this could have a serious effect on people with existing claims rather than those who make fresh applications for help.

**Mr Pollock:** It is the support for mortgage interest consultation that you are talking about, Fra. Due to the way in which the legislation is written, there is an exception that reduces the waiting time from 35 weeks to 13 weeks, but that was for a prescribed period; it was for two years or something of that nature. That was due to run out. I am not sure exactly whether that has expired yet and has reverted to 35 weeks' waiting, which is on the statute books.

**Ms McCleary:** We can check that out.

**Mr F McCann:** Would you do that, please? That is what makes some of this really difficult: it completely depends on the regulations that are coming out to give you guidance. You are dealing with stuff that you have no control over until you have a set of regulations in front of you.

**Mr Copeland:** If the state imposes a financial penalty for occupying a property in a condition of underoccupancy, should it not give some sort of consideration to redressing the balance on the other side of the equation and perhaps make some sort of financial incentive for those who suffer from over-occupancy? That might allow families to take properties that are bigger and, consequently, more expensive in the private sector, which would free up the social sector to allow families who have more need. It strikes me that there is a kick in the pants on one side of the equation and a pat of the wallet on the other.

**Ms McCleary:** I think that if you are talking about over-occupancy, you are effectively saying that there are more people in a property than is probably safe for there to be in it.

**Mr Copeland:** Yes; correct.

**Ms McCleary:** I am not sure that we should encourage that.

**Mr Copeland:** In many cases, that is the actual situation. It is the biggest impediment to availability in the social sector of appropriate properties at affordable prices. People can go to the private sector, where costs are much higher. To me, the equation would be that if people are going to be penalised for under-occupancy on the one hand, there should be some mechanism by which those who suffer from over-occupancy can be incentivised to move into a more suitable property without any financial —

**Ms McCleary:** Our colleagues in housing division have commissioned research into the current housing stock. There will be more information on that fairly shortly.

**Mr Copeland:** The problem is that they consider box rooms to be bedrooms.

**Mr Douglas:** Fra has already asked my question.

**Ms M Campbell:** I cannot remember whether I said this, but those regulations would be confirmatory.

We move on to clause 12, which deals with other particular needs or circumstances. The clause provides the powers to include additional amounts to reflect a claimant's personal circumstances. Subsection 2 lists three examples of such additional amounts for people with limited capability for work, people with limited capability for work and work-related activity, and carers.

There are situations in which people get additional support in the current system. It makes sense to carry those equivalent provisions through into universal credit. Quoted here are examples. It is not the definitive list. Clause 12 gives us the flexibility to make additional payments to other groups or in other situations as is necessary. For example, the additional amount for childcare would be set out in the regulations under this clause.

It is important to ensure that universal credit is flexible enough to provide a range of support for particular groups of people. That is what clause 12 aims to do. Again, the regulations would be confirmatory.

**The Chairperson:** OK. Thank you. If there are no takers, we will move on.

**Ms M Campbell:** Are there no questions?

**The Chairperson:** No. Fine.

**Mr Copeland:** Do you want one? *[Laughter.]*

**The Chairperson:** Do not encourage him, Martina.



**Mr G Campbell:** You are on a roll. Keep going.

**The Chairperson:** Remember the rule of thumb: just draw a breath, but do not hold it.

**Ms M Campbell:** You told me off earlier for not drawing breath. Now, I have to draw breath.  
[Laughter.]

**The Chairperson:** Just draw a breath, but do not hold it for too long.

**Ms P Bradley:** He has changed his mind.

**Ms McCleary:** It has to be a quick intake of breath.

**The Chairperson:** Put yourself on the starting block whenever — [Inaudible due to mobile phone interference.]

**Ms M Campbell:** OK. We will move on to clause 13 — lucky for some. It deals with work-related requirements. It is an introductory clause. It provides the powers to include additional amounts in a universal credit calculation to reflect — sorry. I have not looked on yet. You took me by surprise there. [Laughter.] Sorry. My apologies, Chair.

**Mr Copeland:** You are easily surprised.

**Mr Brady:** He has that effect on most officials.

**The Chairperson:** We are digressing again.

**Ms M Campbell:** Individuals who are able to look for or prepare for work should be required to do so. That is fair. It is what the taxpayer would expect. People who are able to look for work or prepare for work should do so as a condition of receiving benefit. Those who fail to meet their responsibility should face a financial sanction.

This clause is the first in a series that will set out the requirements that may be placed on claimants and provide for the sanctions that may follow the failure to comply with those requirements. In particular, the clause introduces the term "work-related requirements" and sets out four different types: work-focused interviews, which would require the claimant to attend interviews periodically to see what work he or she may or may not be capable of; work preparation, which would require the claimant to attend suitable training courses; work search, which would require the claimant to produce evidence that they have been looking for work; and work-availability requirements, whereby lone parents, for example, would be able to restrict their hours of work to suit their childcare arrangements. Clause 13 goes on to explain that the requirements can be imposed on an individual depending on which of those four groups they fall into. As I said, they will fall into four groups: those with no work-related requirements who are not required to do anything at all, and they will get their benefit; those subject to work-focused interviews only, and the interviews may be monthly, six-monthly, or three-monthly, depending on their circumstances; those subject to work-focused interviews and work-preparation only, which is a little bit of both; and those subject to all the work-related requirements.

Those groups are broadly the same as we have at the moment. For example, those in the employment and support allowance support group for lone parents with children under one will fall into the group with no work-related requirements. We intend that lone parents with children between one and five years will be in the work-focused interview only group. Jobseekers receiving jobseeker's allowance will be in the group subject to all work-related requirements, as you would expect.

This clause provides the context for the rest of the chapter on work requirements. That concludes my explanation.

**The Chairperson:** There are a couple of wee points there, just to clarify in the general sense. It is indicated in a few places here that the first regulations will be by way of confirmatory resolution procedure. Does that mean that there will be other regulations following after the first, and on what basis are they subject to confirmation?

**Ms M Campbell:** Yes, for most, that would be the normal convention. With a Bill where there is a new policy, the first main regulations will be by confirmatory resolution, and subsequent regulations will normally be by negative resolution. That is ordinarily the case. If you flick to clause 44 or 45 — in fact, the explanatory memorandum probably sets it out as well — it will tell you the actual number of regulations that we are bringing through.

**Mr Pollock:** Clause 44.

**Ms M Campbell:** Clause 44. Do you want the list now?

**The Chairperson:** No, I do not want the list. I think that we need to go back to the Minister's original statement on this, because it was made very clear that these regulations — he did not say first regulations — will be by way of confirmatory procedure. I just ask you to reflect on that subject. It may well be the norm, but this is not a normal Bill.

**Mr Pollock:** I do not think that there is any subtext or anything like that. As Martina said, that is ordinarily the convention, because the first set will be the set that specifies all the particular groups, all the various exemptions and that.

**The Chairperson:** Fair enough. I was just flagging it up, because it could be an issue.

**Mr F McCann:** Some of my questions have been answered. However, this goes to the crux of the whole sanction. Over the past months, we have tried to tease out that whole thing, but all of it depends on the regulations of how and when sanctions will be applied. It is difficult to try to tease out the whole thing. All this is done on the premise that people will be trained for work that is there. There is no work there. Four or five people are chasing every job, and there is the impact that that has on people.

**Mr Pollock:** I think that you are right. As Martina said, the paragraphs that she is going through are putting things in context. However, in the broad context, this is where it all hangs together. If the interface between the personal adviser and the claimant is right and they get the right support, the idea is that they should progress on from there. If the implementation does not work in practice, then you get complications and people get sanctioned wrongly or feel that they are getting sanctioned wrongly, if they are slotted into the wrong work-related group in the first place. It all has to hang together for it to work through to the conclusion that we hope to reach.

**Mr F McCann:** A lot of it will — *[Inaudible due to mobile phone interference.]* — direction. Mickey touched — *[Inaudible due to mobile phone interference.]* — aspect earlier. It will all boil down to the direction that people are given. Every decision-maker and every personal adviser will have a different slant on what is in front of them.

**Ms McCleary:** That is where the guidance will come in. It is particularly important.

**Mr Pollock:** The personal adviser is at the front end of the process. As regards sanctions, the decision-maker should be at the other end of the process. It is about getting it right at the start.

**Mr F McCann:** I have dealt with some really strange and difficult cases in which people have been sanctioned.

**Mr Brady:** Just on the work-focused interview, I go back to the initial stages of welfare reform in 2007, which was put through by accelerated passage because we were told at the time that if we did not do that, people would lose their benefit. We were naive then. Thank God, we not as naive now. There was a lot of talk then about the training that client advisers were going to have. There has been a migration of 76,000 people from incapacity to jobseeker's allowance. Quite a proportion of them will be involved in these interviews. We have heard about autism champions and all of that and how people with bipolar can go in and be interviewed and be on top of the world but end up in bed for a month after it. Obviously you do not have it with you, but would it be possible to get some detail on the training that staff will get?

There is another thing that I am concerned about. When the actively seeking work requirement was introduced in the late 1980s or early 1990s, people were told that they had to show evidence. It is like this work search. Unscrupulous employers, certainly in my area, when I worked in the advice centre — people were going along to employers and saying, "I am looking for work. I want a job. Could you give me something to say that I have been with you?" Then they started charging them £10 or £20 for a letter. That is the reality, and this is the real world. Will all that be factored in? I know that it is not in regulations but that is the sort of thing that needs to be looked at as part of the guidance. It is a fact that that happened, and it continues to happen. It ended up that we were facetious about it. We gave people who had been signing on for a long time a wee leaflet to give to their box clerk saying, "I have been signing on so long that I think that I could do your job. Is there any chance of getting a job in the Civil Service?" It was just to make a point. That is the reality.

**The Chairperson:** Point made.

**Ms M Campbell:** Good point.

**Mr Copeland:** I want to clarify whether the current position regarding ESA and permitted work carries over to the new benefits and, if so, whether discharging the permitted work would be a viable excuse for not attending a work-related interview. As I understand it, there are several different groups of people on ESA, but let us take the —

**Ms M Campbell:** Sorry; are you talking about therapeutic work?

**Mr Copeland:** Permitted work. It is a mechanism that allows a person who is in the support group to work for 16 hours a week deriving an income of no more than about £100 — £97.50. If you are in the support group, you can do that forever. If you are not in the support group, you can do it for 52 or 54 weeks or something like that. Will someone who is quite lawfully deriving the new benefit still be able to do permitted work? If they are summoned for an interview, will that interview be tied around the hours that they discharge? That could be 16 hours made up of two eight-hour days or whatever. As Mickey said, all this stuff is fine until it confronts reality.

**Ms M Campbell:** Absolutely; I take that point very firmly. I think that the answer is yes, but I will come back and confirm that. People who do voluntary work, for example, will be able to build that into their claimant commitment, provided that they are not working voluntarily full-time. Allowances will be made to allow people to continue to do voluntary work for all the right reasons.

**Mr Copeland:** With respect, voluntary work and permitted work are not the same thing.

**Ms M Campbell:** Absolutely; they are two different things. I will come back and confirm that, but I think that the answer is yes.

**Mr Douglas:** I have a question on the sanctions. *[Inaudible due to mobile phone interference.]* A member of my family has epilepsy. He may be going for an interview and may not have had an epileptic fit for weeks, but he could take one an hour before the interview. What, effectively, would happen with the legislation? When would the sanctions kick in?

**Ms M Campbell:** There would be good cause, obviously, and all those circumstances would be taken into account. Excuses such as bereavement and various other circumstances that we know happen to us all cannot be anticipated, and that will be considered by the claims adviser.

**Mr Douglas:** Is there a time span? Say that person did not report in that day or the next day, is there a week or some sort of timescale when they have to report or get a doctor's report?

**Ms M Campbell:** I am not sure. I will come back to you. However, I imagine that they would be expected to make a reasonable effort to notify the office.

**Mr F McCann:** My question has partly been answered, but I want to pick up on the good cause. I know that we have probably all struggled in trying to work out what "good cause" actually means. Have they ever come down with a —

**Ms M Campbell:** No. My advice is that you should not define "good cause" in legislation, simply because you could come up with circumstances today that would be accepted as good cause, but there could be something new and additional tomorrow. A fair assessment of "good cause" is common sense. It is about the relationship that the personal adviser will have built up with the claimant over time, and it is about the claimant's history in claiming, and whether they have complied with all the requirements to date, and this is, obviously, an unusual circumstance.

Although the guidance will give some examples of good cause, it is a common-sense approach. However, I take the point that members have made.

**Mr Brady:** It is too subjective to be definitive.

**Ms M Campbell:** Yes; absolutely.

We move on to clause 14, which is about the claimant commitment and the responsibilities that a claimant has to make. Clauses 45, 54 and 59 are also linked into the claimant commitment. The claimant commitment is a record of a claimant's responsibilities in return for receiving benefits. It is sort of like a contract. It will clearly set out what our expectations are of the claimants and the requirements that are placed on them for the receipt of benefit. It will also be clear about the consequences, and I refer to member Douglas's comment about the consequences of failing to meet those requirements. That will include a bit about sanctions.

We will require universal credit claimants to accept a claimant commitment as a condition of entitlement, regardless of which of the four groups they fall into. That is the groups that I talked about earlier — the work-focused only, work prep or work search. For those who do not expect to look for or prepare for work, the content of the commitment will be minimal, with just the requirement to inform us of a relevant change of circumstances.

For those whom we expect to seek or take steps towards work, the content will be a detailed list of the specific actions that they must carry out in return for benefit. For example, that could include the amount of time to be spent looking through job papers, the internet, etc, for vacancies; any specific jobs that they should apply for; any work preparation activities that would make it more likely for them to find work, such as attending a training course or registering with a recruitment agency or a website; and any interviews that they are required to attend at a jobs and benefits office. Alongside each action, the commitment will also include details of any sanction that will be applied if they fail to carry it out. This is about making it absolutely clear what the claimant must do and what will happen if they fail to do so. The claimant commitment will be revised as necessary, such as when a person moves between groups, because, obviously, the ages of parents' children will change and their availability will also change in line with school times. Therefore, they move between groups as their circumstances and responsibilities change or as their job search progresses. Member Campbell talked earlier about people who are so far down the spectrum and away from work. Those people will be required to take a series of steps to get themselves prepared, ready and closer to the job market.

The claimant commitment is about strengthening the link between people receiving benefit and meeting their responsibilities by helping to ensure that they fully understand what is expected of them. That, more or less, is clause 14.

**Mr Brady:** It is a two-way process. You mentioned access to the internet and job search — *[Inaudible due to mobile phone interference.]* Will that kind of facility be available in the job markets?

**Ms M Campbell:** Yes. We are looking at providing more of those stand-alone terminals where the claimant can go in and look for jobs or complete the application form. Obviously, the whole emphasis on universal credit is digital online. The job markets will have more of those terminals available.

**Mr Brady:** The difficulty is that a lot of people who are unemployed and looking for work do not have access to that facility. Obvious, buying newspapers costs money.

**Ms M Campbell:** It does, but claimants can go to the library, where they can access newspapers and the internet. We very much recognise that not everyone has a computer. However, I read something last night that stated that 75% of people in Northern Ireland have broadband, and I will try to track that down and come back on that point.

**Mr Brady:** Is there anything in the contract that the Department will sign to ensure that it fulfils its obligation, or is it a one-way contract that is just signed by the client? A contract can work both ways. It seems grossly unfair if you were to sign a contract to say that you will carry out specific actions that are asked of you.

**Ms M Campbell:** Sorry, I have not seen a copy of the claimant commitment.

**Mr Pollock:** It is a claimant commitment.

**Ms McCleary:** The other side to it is the payment of the benefit.

**Mr Brady:** That is the difficulty. If claimants do not fulfil their commitments, they do not get paid, but if the Department does not fulfil its obligation, then it goes back to what is good cause or common sense. I worked in the Social Security Agency a long, long time ago, and common sense is not so common sometimes, and we need to bear that in mind. I am just flagging up a possible difficulty.

**Mr F McCann:** I have just a small point to make. Martina said that 75% of people have broadband. That does not mean to say that 100% of people have access to computers.

**Ms M Campbell:** I do not have it myself.

**Mr F McCann:** Where I live, not a lot of people are running about with iPads or have computers.

**Ms McCleary:** It is worth mentioning that training on IT is likely to be a factor in some of the claimant commitments as well, because that will be important to help people move into work.

**Ms M Campbell:** There is also a lot of work going on with colleagues in the digital inclusion unit, which I think is in the Department of Finance and Personnel, linking into that whole strategy, which is part of the Government's commitment to increase access to broadband and get people to become more digitally aware.

**Mr Douglas:** This clause is not just about work-related issues. Is that right? It is also about the claim. To go back to Gregory and Mickey's point, will this be like a legal contract, as such? The onus is not just on the claimant. To go back to Gregory's point, you agree that you would exhaust every measure, but it might come down to the fact that that person would not need to have to be paid weekly or fortnightly. Is that the sort of thing that would be in this?

**Ms M Campbell:** Yes.

**Mr Douglas:** Would it be a legally binding contract on both parties?

**Ms M Campbell:** I do not know about the status of it being legally binding. However, it is a commitment that the claimant will sign, and it sets out clearly the steps that both parties — the adviser and the claimant — have agreed that the claimant will take to get ready to work.

**Ms Brown:** Just on Mickey's point about the location of internet access and that, has any work or research been done on the use of mobile phones? I know that on pay-as-you-go and most phones, you have access to free Wi-Fi. There are hot spots everywhere. Although it is not ideal or as good as a PC or a laptop — *[Inaudible due to mobile phone interference.]*

**Ms Stitt:** I think that that is part of the work that the digital inclusion unit is undertaking. I know that a colleague of mine is linking in with that as well. It is being investigated.

**Mr Copeland:** Will those who find themselves directed to IT training be required to fulfil any basic literacy or numeracy skills? If those are found to be failing, will that level of training be provided?

**Ms M Campbell:** Yes, that will be part of the preparation. Obviously, where there are literacy or numeracy issues, as is the case at the minute, there will be a range of courses to suit each level of literacy and numeracy.

**Mr Copeland:** Would the jobs that they would be expected, consequentially, of being capable of doing be limited by their skills level at that time? In other words, would their physical availability for work limit them initially to jobs that are physical in nature, or would the literacy and numeracy and computer training that may prepare them for other types of work be done in parallel with that or separate from it?

**Ms M Campbell:** I think that it would all be done in parallel. They would be doing a number of things. Your commitment would change as your circumstances change. At the moment, you come in to me today, you have no literacy or numeracy skills or no IT skills, but you are strong, fit and healthy, and have no childcare issues, etc, and you are available to work full time, so you are quite happy to take a physical job or a job of another nature that does not require literacy and numeracy skills. However, as the situation is today, employers have the right to specify what requirements they need of an employee, and it would be up to the claimant to match that employer specification. Therefore, at the minute, if you are only available for work of a physical nature, your agreement will specify that you are looking for jobs in the following areas. At the same time, however, you may be attending a work preparation course that includes literacy, numeracy and IT skills. When you complete that course, your claimant commitment will be reviewed, depending on your level of attainment on the course. That is the whole point about the claimant commitment. It is a living document, and it is reviewed as your circumstances change. Does that answer your question?

**Mr Brady:** On industrial diseases — I am thinking of things such as dermatitis — I have had cases where people were capable of work and were sent along to a job market and then sent to the old government training centre, which would not accept them because they were an insurance risk. As regards the personalised contract, it goes back to Sammy's point about it being legally binding, because most contracts are regarded as legally binding. In this case, for instance, would the Department think that there was not good cause for not attending, and that it could break the contract in the sense that it would not pay the person's benefit? The only redress that the person might have would be to appeal, and that could take a few weeks. Would industrial disease-type issues be factored in, for instance, someone who has dermatitis? That person could work in certain circumstances, although they may have to wear gloves, cream, all of that. However, in the past, most employers simply saw them as an insurance risk, and if there was a reoccurrence, then — I know that is kind of going into the devil in the detail stuff, but it has to be flagged up and considered.

**Ms M Campbell:** I cannot say for certain, but I assume that that is the situation at the minute. Where people have conditions that flare up from time to time, flexibility is built in.

**Mr Brady:** Common sense.

**Ms M Campbell:** Common sense; absolutely.

**Mr Copeland:** The vast majority of people feel that they have been through some of this. There are some cases where it does work, but they feel that they are going through a whole rigmarole and a process that will not end up with employment. Many years ago, my wife was injured at work; she was a police officer. At that time, she was on either industrial injuries or reduced earnings allowance — one of those odd ones. She was found not to be fit for her proper job but fit for other work. It gave a list: cinema usherette. There was not a single cinema in the city of Belfast. It was an insult to her intelligence and an insult to my intelligence. What I am dreadfully afraid of is that a lot of this stuff will end up as being an insult to the intelligence of people who may not be academically bright, but neither are they stupid. If this is going to have any credibility, it has to be rooted in reality.

**The Chairperson:** I do not know whether there is any response to that.

**Mr Brady:** To follow Michael's point, bingo caller used to be a favourite.

**Mr Copeland:** That was one of them : cinema usherette and bingo caller, and there was not a single cinema left in the city of Belfast.

**Ms M Campbell:** I think that it goes back to Mickey's point: It is about common sense and reality.

**The Chairperson:** The bingo caller one tempts a response, but I will refrain.

I was hoping to test whether we could have a discussion on a short clause — clause 15 — but it is a couple of minutes to twelve so we will break for lunch for half an hour. I remind you that we have gone through 14 clauses out of 44, so I will leave it to you to judge progress.

**Ms M Campbell:** Back here at 12.30?

**The Chairperson:** Yes, please.

*Committee suspended.*

*On resuming —*

**The Chairperson:** I declare the meeting open to the public. We are now recording. I ask people to switch off any electronic devices.

We got as far as clause 14. I will ask the Committee Clerk to recap on where we are.

**The Committee Clerk:** This will be a brief recap, and it may not capture everything. We will liaise with the departmental officials following the meeting to see what issues they have picked up on and to compare notes. Hopefully, we will have a comprehensive list of issues and questions that will be addressed by the Department.

No issues were raised with regard to clause 1. As regards to clause 2, some issues were raised in respect of the gender specification of a couple. Mr Copeland raised an issue about aggregated income. No issues were raised with regard to clause 3.

With regard to clause 4, Mr Brady raised an issue in respect of the uniformity of the claimant commitment. Ms Bradley raised an issue in respect of a TA soldier. The Department said that it would look into the issue where a claimant resides in the South and works in the North. On clause 5, examples of financial provisions and clarification on income in respect of child maintenance, which Mr Copeland raised, were to be provided.

On clause 6, the question was asked about when a prisoner is head of a household and whether *[Inaudible due to mobile phone interference.]* might be required. That would depend on the length of sentence or whether the person is on remand.

On clause 7, the key issue was flexibility with regard to payments and also whether banking products had been developed and the role of financial institutions in that; that includes not only banks but post offices and credit unions. The role of the voluntary and community sector or the advice sector was also explored. Issues were raised about the number of people who are paid fortnightly or weekly as opposed to monthly. I may not have picked this up correctly, but of the figure of 530,000 people mentioned, 142,000 earn less than £10,000 a year. It was indicated that people who *[Inaudible due to mobile phone interference.]* are unable to pay are more likely to be paid fortnightly or weekly.

In clause 8, the big issue was the current requirement for childminders to be registered. The provision is that if a family member looks after a child, he or she must also look after an unrelated child. That issue is being addressed. DEL is looking into it, as is OFMDFM's childcare strategy group.

We move to clause 10. The question was asked whether claimants can still claim child benefit and child tax credits. Hopefully, that sums it up. Clarification was required on that and child tax credits.

Clause 11 relates to housing costs. This was a key issue on which there was lengthy discussion. Issues related to household size; how to calculate benefit for separated families with shared parental responsibility, and how that would affect foster carers. It also included some short-term fostering. That was subsequent to discussions in which one member raised the issue of how to define a bedroom, which led to discussion on box rooms being considered bedrooms.

There was a question on interest on the mortgage-support period, and clarification was required on whether it had expired; the 35-week to 13-week period was also discussed. There was discussion on under-occupancy and guidance on what constitutes suitable accommodation. Members raised the financial incentives in respect of over-occupancy: if people will be penalised for under-occupancy, should there not be incentives to address over-occupancy?

No issues were raised in respect of clause 12.

With regard to clause 13, the training of client advisers for work-related interviews was raised, as well as permitted work affecting claimant commitment. The Committee wants detail in respect of that. There is a period for submitting evidence in respect of good cause to avoid sanctions. That, too, was raised by members.

**Mr F McCann:** I hate to interrupt. However, I have raised the issue of permitted work at the Committee on numerous occasions. Obviously, people who are on benefits have to be available for work. Many people would like to volunteer to work in their local communities, and that is to be encouraged. If they do, will that be considered as work or as their being unavailable for work? Can that be checked out for us?

**Ms M Campbell:** I said that I would confirm that with regard to Mr Copeland's question. As you say, voluntary work is to be encouraged. It will be built into a claimant's commitment with regard to restricting his or her availability for work or it may satisfy requirements. It depends on the individual's circumstances.

**Mr F McCann:** Is there a list of restrictions on what they can or cannot do?

**Ms M Campbell:** I imagine that that would be specified in the regulations, although I am not sure. Voluntary work is permitted, and it will be taken into account as satisfying some of the claimant's requirements for work — *[Inaudible due to mobile phone interference.]*

**The Chairperson:** I do not want something to hold up —

**Mr Copeland:** I just want to add, with your permission, Chair, one adjunct to the under-occupancy issue about children who are not normally domiciled in the house. Will you also address the issue that, if there is someone in the house who requires care during the night because of mental or physical disability, that is excluded?

**Ms M Campbell:** That is covered.

**The Committee Clerk:** The last clause that the Committee got to was clause 14 about the claimant commitment. Issues were raised in respect of internet access for job searches. There will be access in job centres and libraries, and newspapers would be available there, also. Questions were also raised about the numeracy, literacy and IT assessment carried out to help people in their job searches.

An issue was raised as to whether industrial diseases would be reflected, and it was confirmed that they would be, as would any training subsequently provided in respect of IT, etc.

**The Chairperson:** Michael, you mentioned during the lunch break that some information that was sought earlier might be brought back. We will have that now as well.

**Mr Pollock:** OK, Chair. We can update the Committee on some of the points that were raised this morning. I have given the Committee staff a few work examples of universal credit assessment. They are based on existing benefit levels, as opposed to — *[Inaudible due to mobile phone interference.]* Fra mentioned the support for mortgage interest. We checked with DWP colleagues over lunch as well. They have not yet — *[Inaudible due to mobile phone interference.]* As I say, there is still discussion on the finances that will be required for that.

I mentioned the work examples. I think that it was Mickey who asked whether child benefit would be required as a qualifying benefit. It is not a factor for universal credit, but it may be a factor for some other passported benefits. Michael Copeland asked about housing costs and tenancies in respect of someone who is on remand or in prison. There are examples. One that was cited to me was about cases of abandonment, where the tenancy reverts. However, the basic principle is that housing benefit could still be paid to the person who is left in the property. I hope that that helps.

**The Chairperson:** Thanks for that. We are ready for you, Martina.



**Ms M Campbell:** Thank you, Chair. We move to clause 15, which is about the work-focused interview requirement. This introduces the concept that a work-focused interview requirement may be placed upon some universal credit claimants. These interviews are designed to keep the claimant in touch with the job market and local labour market developments. They also give claimants the opportunity to explore steps that they might take, immediately or at some point in the future, to increase their chances of getting work, getting work that is better paid or increasing the number of hours that they work.

During the interview, the adviser will ensure that the claimant is aware of the help and support that is available to them. That could consist of literacy and numeracy courses or courses run by DEL, or simply access to online services to help them in the job market, or access to childcare and budgeting support. All claimants, except those in the group with no work-related requirements, may be required to participate in the work-focused interview. Those interviews normally take place once a year. For some people, they may take place more often, but that will be agreed with the claimant in their initial interview and any subsequent review interviews. That is the completion of clause 64, and regulations will set it out in more detail.

**The Chairperson:** We are talking about clause 15.

**Ms M Campbell:** What did I say? Clause 64? Sorry; it is paragraph 64.

**The Chairperson:** You are well ahead of yourself.

**Ms M Campbell:** I did not have enough coffee at lunchtime. *[Laughter.]*

**The Chairperson:** Unfortunately, we are not at clause 64. We will move on swiftly to clause 16. When we get the chance, run for it.

**Ms M Campbell:** Clause 16 is about the work preparation requirement. It requires that the claimant take actions that will increase their chances, now or in the future, of getting work, work that is better paid or increased hours. Therefore, all claimants who are fit and able to prepare for work should be required to do so as a condition of receiving benefit. It is likely that all but the most work-ready jobseekers will have some sort of work preparation requirement placed upon them, even if it is simply updating their CV or even drafting a CV, and help will be available to them to do that.

People who have been found, through the work capability assessment, to have limited capability for work but who are capable of work-related activity will also have some work preparation activity requirements placed on them. In those terms, many disabled people play a full and active role in the labour market, and there is evidence that work is good for people's physical and mental well-being; a great deal was said about that in the debate last night. There are still too many people on benefits who have been written off, and the Department is committed to increasing the number of disabled people in employment. We will provide better and more intensive support to help people to get off benefits and to find sustainable work.

Advisers will devise a tailored work preparation plan for each claimant. The details of that will be included in the claimant commitment, and the claimant can, obviously, challenge the adviser, and they will reach some kind of compromise.

As I say, examples of work preparation could include skills training, confidence building, drafting a CV, or work experience. Again, the regulations will set out other actions.

**Mr Brady:** When you hear that people have been "written off", I always wonder who has written them off, because most of the people whom I have dealt with over the years certainly have not written themselves off. The system may do that. That is where the anomaly arises in all these so-called reforms, and we are really going to start paying attention to your condition.

**The Chairperson:** Keep it moving, Mickey.

**Mr Brady:** One thing that worries me about this is the undertaking of work experience or work placement. In my constituency, a store has taken eight young people on work experience. They get paid their benefit when they are working, and the employer gets free labour. People who were working there previously have been paid off. The employer gets x amount for taking them. That is

worrying. It seems to me that there are not enough restrictions on the employer. If the kids or young people do not take the placements, they will be sanctioned; the employer will not.

This is not a recent phenomenon; it has been going on for 25 — nearly 30 — years. They introduced schemes whereby young people worked in hairdressers, which got £15 a week for taking them on. They paid them £10 a week, so they got free labour and an extra fiver. Nothing has ever really been done about it. That is an area that the Department needs to address, as employers seem to have free reign. Yet the young people who are expected to participate in these schemes will be sanctioned. There is no equality, and it is not equitable at the other end. That will have to be looked at.

**Ms McCleary:** That was discussed in the not so recent past. As we said then, work experience regulations, particularly for those who — *[Inaudible due to mobile phone interference.]*

**Mr Pollock:** It is something *[Inaudible due to mobile phone interference.]* DWP, in its work programme, or Steps 2 Success in DEL here in Northern Ireland. *[Inaudible due to mobile phone interference.]* They have fairly robust procedures to monitor the performance of a company. If it is the case that a company is substituting trainee experience for labour, there would be sanctions. *[Inaudible due to mobile phone interference.]* It works both ways, and if it works well, it works well for both.

**Mr Brady:** I want to make one final point on that. Any rules, regulations or agreements work only if they are properly enforced. Unfortunately, it is a one-way system, in that the person gets penalised but the employer, the would-be employer, or the putative employer — whatever you want to call them — does not, and that needs to be tightened up. There was the fiasco in Britain where —

**The Chairperson:** Sorry, Mickey, can we deal with the clause? Have you addressed your concern about the clause?

**Mr Brady:** Yes.

**The Chairperson:** I appreciate the importance of the matter, and I am trying to ensure that we get clarity on it.

**Mr F McCann:** To follow on from what Mickey said, this has a knock-on impact on what DEL provides. However, I have sympathy with what Mickey said. Local people with kids were doing a week's hod-carrying work for a tenner. It needs to be stated clearly in regulations that there are strict rules to guide people when they take on employment. The jury is still out on whether it would be a work programme. However, the preparations for people going into work are interesting. Obviously, it is on the premise that work will be available. You mentioned four tools that are essential for getting people back into work. However, it needs to go a wee bit further.

The nature of jobs has changed, along with the traditional trades that people would have relied on. Has anything been built in that looks at the job market and the availability —

**Ms M Campbell:** Yes, it is based on the local job market.

**The Chairperson:** It is tailored and localised — *[Inaudible due to mobile phone interference.]*

**Ms M Campbell:** Clause 17 talks about the work search requirement. Jobseekers claiming universal credit will be required to take all reasonable action to look for work in return for their benefit. That is similar to what happens at the moment. The clause defines the work search requirement in two parts: first, a general requirement to take all reasonable action to obtain paid work; and, secondly, a requirement to take any particular action specified by an adviser, such as applying for a specific job or registering with a particular recruitment agency. That builds on the point that Mr McCann raised about the local job market. For example, if Tesco opens a new store and there are x number of jobs, people, where they are suitable, will be advised to apply for those jobs. Therefore, it is tailored to the local market.

Regulations will allow some claimants in certain circumstances to restrict their work search either indefinitely or for a particular period. That can be due to childcare arrangements or other circumstances. As I said, regulations will specify that. At the beginning of the claim or period of unemployment, claimants may be allowed to restrict their job search to their previous profession and

rate of pay. However, the longer they are out of work, the wider their search will have to become, and they will be asked to accept a job of a lesser standing. Alternatively, the person's circumstances may mean that they can only do work of a particular type or work for a number of hours, for example, if they have young children, school hours, or a health condition that fluctuates and means that they can work only in specific types of jobs.

Regulations made under clause 25 will set out what we expect claimants to do in order to be treated as having taken all reasonable steps. Claimants will be required to spend as much time on job search and work preparation activities as the number of hours they are required to be available for work. For example, a claimant required to look for full-time work will be required to do job search and work preparation activities full time. If a claimant has to look for only 20 hours' work a week, they will be asked to do job-share search and work-preparation activity for only 20 hours. However, if they are full time, they will be expected to spend the equivalent time that they would work taking steps to get ready for work.

The exact requirements will depend on the claimant's circumstances and will be set out in the claimant commitment, which the claimant will agree. Essentially, claimants are to be encouraged to do all that they can to look for and find a job. That is the purpose of the clause.

**Mr F McCann:** You said that people will try as hard as possible to place them in their former profession. However, over time, some of the regulations that guide those professions change; for example, the work that they do with machinery may be upgraded. Would training to continue in their former profession be part of that?

**Ms M Campbell:** That could happen, with the adviser's agreement. DEL runs sponsored courses relating to manual lifting and health and safety in the workplace, for example.

**Mr F McCann:** I knew a guy who upgraded his work experience. He was probably called a plumber and then became a specialist heating engineer and dealt with certain machines. However, those machines are continuously upgraded. Therefore, you need to be retrained on the new machines that come out to allow you to continue with that work. Will that training be provided to ensure that people are kept up to date?

**Ms M Campbell:** I am not sure whether that type of specific training will be provided by DEL. Certainly, in discussions with the adviser, the claimant can ask for that to be considered in their agreement.

Clause 18 is about work availability. As I said repeatedly, we expect jobseekers to maximise their chances of moving into work, and so we expect them to be able to take up any offer of work immediately. There will be some exceptions to that rule, and those will be specified in regulations.

Where a claimant is allowed to restrict their work search, they will only be required to be available for jobs that fit within those restrictions; that will be people with childcare or caring responsibilities, for example. That means that, typically, at the beginning of a claim or period of unemployment, claimants will only be required to be available for work in their previous profession with a similar rate of pay. Alternatively, the claimant's circumstances may mean that they are only required to be available to work for a number of hours of a particular type. For example, work that fits around school hours, as I have just said, or work that would not aggravate an existing health condition.

As universal credit is an in- and out-of-work benefit, it may not be possible for some claimants who work to take up another job immediately if it would interfere with their current job. That could, for example, be somebody who works part time and is able to increase their hours, but has to do so by taking another job. In those circumstances, the requirement to be available immediately could be relaxed. Again, as I said, we would relax the requirement where there are caring responsibilities or where people are engaged in voluntary work. That completes that clause.

**Mr Brady:** Just on the question of availability, the guidelines and applying common sense. Someone whom I represented a couple of years ago was sanctioned because it was said that he was not available for work. However, the reason for that was that he was getting married [*Inaudible due to mobile phone interference.*] The ultimate test of availability would have been if a member of staff had walked up the aisle, tapped him on the shoulder and said, "You have a job."

**Mr Durkan:** Hard labour. [*Laughter.*]

**Mr Brady:** Well, some might argue that he would have been better going to the job.

**The Chairperson:** I think that he probably should have been sectioned. *[Laughter.]*

**Mr Brady:** I will not comment on that. I am just making the point that some strange decisions are made about availability. If there were proper guidelines in place, they may save people from a fate worse than —

**Ms M Campbell:** That is a good point. I would like to think that the Department has learned from examples of decision-making that lacked common sense.

**Mr Brady:** I hope so. I should point out that he is still married, as you will be glad to know.

**The Chairperson:** He must have had marriage guidance.

**Mr Copeland:** My question is a bit obtuse. Will any special arrangements be made for, or consideration given to, members of the Territorial Army or Reserve forces?

**Ms M Campbell:** Yes. That is being considered.

**Mr Copeland:** Will that ensure that if they are the head of the household, the entire mechanism could be put in place again when they return? Does the income that they provide during a period of deployment count?

**Ms M Campbell:** As far as I know, the existing arrangements, whatever they are, will continue.

**Mr Durkan:** In clauses 17 and 18, what geographical considerations were given to the availability of work and claimants' work search?

**Ms M Campbell:** The travelling distance is described as "reasonable", and I presume that regulations will define what that is. Obviously, it will take account of bus routes, availability of public transport, whether the claimant has a car, etc.

**The Chairperson:** Did we not deal with a statutory rule recently in which the time stipulated was 90 minutes each way? We will move on.

**Ms M Campbell:** Clause 19 deals with claimants subject to no work-related requirements. The clause sets out the categories of claimants on whom work-related requirements must not be imposed and for whom financial support will be unconditional. That includes claimants whom we do not expect to be able to work or to prepare for work, or who will not, under any circumstances, be subject to work-related requirements.

As is the case now, people found to have limited capability for work and work-related activity, owing to a disability or health condition, or those with regular and substantial caring responsibilities for a severely disabled person, will not have any work-related requirements imposed on them. Claimants with responsibility for a child under the age of one will also not be required to meet any work-related requirements. In the case of a couple with children, the couple will be able to nominate which person will be treated as the responsible carer and, therefore, exempted from conditionality. However, the other partner will have to submit to conditionality.

Additional categories of claimant will be added to that group through regulations. We expect that to include claimants who are over the state pension age; women who are heavily pregnant or have just given birth; and claimants who qualify for universal credit in exceptional circumstances where they are in full-time education. As universal credit is an in- and out-of-work benefit, conditionality will apply to people in work who still receive universal credit up to a particular threshold. That threshold will be set at the equivalent of the national minimum wage. So, if claimants are working full time for 35 hours and are paid at the minimum wage, they will not be required to do any more, but if they are working full time and are paid less than that, they will be required to take steps.

Regulations will also provide that where a claimant in work continues to be above the threshold, but for a particular change of circumstances, they should remain in that group as long as those circumstances apply: for example, when a claimant's earnings fall because of their taking maternity leave or being on jury service. We will use regulations to prescribe a comprehensive list of the circumstances in which a claimant would remain in the group subject to no work-related requirements.

Individuals whom we do not expect to work full time will face a lower conditionality threshold that reflects the earnings that they could accrue in the hours for which we would expect them to be paid. It is important that individuals who are able to look for work should be required to do so as a condition of receiving benefit. Equally important is that those unable to look or prepare for work, or who are in work and doing enough, should receive unconditional financial support. That concludes my explanation of that clause.

**Mr Copeland:** I just want to check the process by which the limited capability for work would be assessed and in whose opinion that would be limited.

**Ms M Campbell:** Sorry, I should have mentioned that when explaining the previous clause. An assessment will be conducted by a healthcare professional, who could be a GP, nurse or another specified person.

**Mr Pollock:** That is set out in section 60 of the Health Act 1999.

**Mr Copeland:** Is it envisaged that, at that time, healthcare professionals will have access to people's full medical records, or will they just see people themselves?

**Ms M Campbell:** I do not know. I will get back to you on that one.

**Mr Copeland:** The difficulty is that there will be several opinions on every case. Generally, the opinion that counts in this case is that of the healthcare professional, who is probably the person least capable to take a decision on the basis of the information available to them. I am very curious about that point, because I know what kind of decisions have come through the current system. There seem to be a number of conditions, which, to be quite frank, healthcare professionals do not think exist. ME is one, and fibromyalgia is another. Despite clients arguing that they are incapable of work, someone else takes a decision, in the absence of medical records, that they are, and much flows from that. I await your written answer with interest.

**Mr Brady:** You mentioned education-related exemptions. One current exemption applies to a single or lone parent in full-time education — [*Inaudible due to mobile phone interference.*] — qualify for benefit. Will that still be the case for someone who is in full-time education but also a responsible lone parent? The Bill refers to a parent being responsible, as in caring for a young child, and that, I presume, applies to children under the age of one. I wonder whether that will change, because it is an exemption that quite a lot of people avail themselves of currently. However, there is no specific mention of someone who is in full-time education and also the responsible carer of a child.

**Ms Stitt:** I think that Martina mentioned earlier that there would be some exceptions.

**Ms M Campbell:** They will be listed in the regulations.

**Mr Brady:** You mentioned education exemptions, but you did not —

**Ms M Campbell:** They will be specified in the regulations. I will have a look at what that involves and come back to you.

Clause 20 relates to claimants subject to work-focused interviews only. They will not be required to take on any other form of activity that gets them a job. They will fall into this category if they are the responsible carer; that is, a lone parent or a nominated carer in a couple with a child aged at least one but under three. We intend to set this at age five so that all lone parents and nominated carers with a child under school age are required to participate only in work-focused interviews. That mirrors the currently unused flexibility in income support legislation, which enables work preparation requirements to be imposed on lone parents with a child aged between three and five. We have kept that legislative flexibility in case it becomes appropriate at some point in the future; for example, if more is needed to achieve good employment outcomes when their child moves into early or full-time education.

In addition to parents with young children, the clause enables regulations to prescribe additional categories of claimants who will fall into that group and will, therefore, be required to participate only in an interview. We spoke about one such category earlier, which is that of foster carers, either single or nominated carers in a fostering couple who have a child in placement, or while they are between placements but intend to continue fostering up to a maximum of eight weeks. That will apply until their youngest foster child reaches the age of 16, or in exceptional circumstances where the foster child has proven care needs until they leave care. Where there is evidence that a foster child requires the full-time care of two adults, both members of the fostering couple will fall into that group.

The whole purpose of work-focused interviews is to keep claimants in touch with local labour market developments and to ensure that they are aware of the help and support available. These interviews give claimants the opportunity to explore the steps that they might take, either now or at some point in the future, to increase their chances of getting into work, getting work that is better paid or increasing the number of hours worked. It includes encouraging parents to prepare for their child reaching school age, and, for foster carers, it could include signposting to support and considering how a return to the labour market might be balanced with existing responsibilities.

Work-focused interviews are a significant tool in supporting the Executive's aim of reducing the number of people living in poverty, particularly children, by reducing worklessness. That concludes my explanation of clause 20.

**Mr Copeland:** Will any allowance be made for parents, guardians or couples with a child who has an enduring recognised medical condition or a disability, such as attention deficit disorder or attention deficit hyperactivity disorder, where leaving that child alone for any period would generally be quite difficult?

**Ms M Campbell:** I would say that that would be built into the claimant commitment, but I will check. It may simply come down to common sense and the relationship between the adviser and claimant.

**Mr Copeland:** That is what frightens me.

**Ms M Campbell:** Margaret has just reminded that it could come in under that commitment if the child is considered disabled.

**Mr Copeland:** I presume that that is for both physical and mental impairment?

**Mrs Cochrane:** You say that you plan to set the age at five to take into account children who have not started school. I appreciate the idea behind that. However, for it to be really effective, it needs to go beyond Halloween of the first term. People are trying to settle their children in school at that stage, when they may be in class for only one or two hours. I do not know whether something as specific as that could be built in.

**Ms M Campbell:** That will be built in.

Clause 21 sets out those who will be in the work preparation group: claimants who will be subject only to work preparation and work-focused interview requirements and not exactly required to look for work. Claimants in this group will be expected to take reasonable steps to prepare for work and attend work-focused interviews. They may not be required to look for or be available for work. Claimants could be in this group if they are disabled or have a health condition that means that they have limited capability for work at the time. This group is equivalent to the work-related activity group in the current employment and support allowance. We are committed to providing better and more intensive support to take people off benefits and find them sustainable work. However, in return, we expect claimants who are capable of taking steps to prepare to return to work to do so.

Regulations may also allow us to put responsible carers with a child aged between three and five into this group. That power replicates our current flexibility in income support legislation. Advisers will have broad discretion when setting requirements and will devise a tailored plan for each claimant. This means that the nature and amount of work preparation could vary from claimant to claimant, but we will always be reasonable in the claimant circumstances. As I said previously, examples might include skills training, confidence building, work experience or help with preparing a CV. That concludes my explanation of clause 21.

**Mr Brady:** When we hear the word "discretion", we think, "Great, some common sense." However, my experience over the years has been that talk of discretion in the agency context means targets. What if you have an office in Newry, for instance, with client advisers, people going to work-focused interviews and discretion being used? Does everybody have to accept it when they do not qualify? We have to be honest about this: the Department functions primarily on targets and is target-led. It has been for a long, long time. So if you had sympathetic, and rightly so, client advisers who did not sanction people — we will come on to that in clause 26 — I wonder what would happen in an office where everything was wonderful, a utopia. Would the Department start to look at targets and say that perhaps not enough people were being sanctioned?

**Mr Pollock:** There are no targets on sanctions. There never have been; there never will be.

**Mr Brady:** I am a bit sceptical about that. I just want to make that point.

**The Chairperson:** I think that you have made your point. OK. Thank you. We will move on.

**Ms M Campbell:** We are at clause 22 — time flies when you are having fun, does it not? Clause 22 deals with claimants who are subject to all work-related requirements. Any claimant who does not fall into any of the previous three groups may be subject to all work-related requirements. This will be the default group for work-ready claimants, including parents with children over five years of age. Claimants in this group will be required to seek work and be available for work, as they would be currently under jobseeker's allowance. In some circumstances, that requirement may be waived temporarily; for example, if the claimant has a domestic emergency, such as flooding, or falls ill. Regulations will outline the circumstances in which that may apply. They may also be required to participate in work-focused interviews and carry out work preparation activities.

**The Chairperson:** OK. That is great. We will move to clause 23.

**Ms M Campbell:** Clause 23 deals with connected requirements. Therefore, it is wrapping up, if you like, all the previous clauses. It enables us to impose other requirements on claimants in connection with the main work-related requirements. Essentially, it enables us to require claimants to participate in interviews and provide evidence that they are complying with the requirements imposed on them. The requirement on the jobseeker is to demonstrate that he or she is actively seeking and available for work. Signing a statement to that effect is a key part of the jobseeker's regime. This power will also enable us to conduct all the other reviews and interviews that we hold with claimants at key points throughout their claim. Such interviews may be to deal with skills needs, adjust claimant commitments or review any limitations based on their job search activities as their circumstances change.

Evidence shows that regular contact with claimants helps to reduce the time that they spend on benefit. Regular and meaningful discussions with people about what they have been doing to find or prepare for work helps us to ensure that they fulfil their responsibilities. This clause also requires us to require claimants to report certain changes in their circumstances, such as leaving a job, that might affect the group that they fall into or the requirements placed on them. That is particularly important because the real-time information system that we will use to collect the details of their earnings details will operate retrospectively. Therefore, there could be a gap of up to four weeks between claimants leaving a job and our identifying that through the real-time information system. This power allows us to ensure that the requirement is placed on the claimant to notify us and keep us up to date as his or her circumstances change. That is the purpose of that clause.

**The Chairperson:** If members are OK with that, we will move on.

**Ms M Campbell:** Clause 24 deals with the imposition of requirements. We want to give advisers broad discretion to impose requirements that they think give claimants the best chance of finding or preparing for work. There may be certain requirements or actions that are not and will never be appropriate. The clause allows us to make regulations to put such matters beyond doubt, setting out particular circumstances in which requirements or specific actions must not be imposed.

Restrictions drawn from current regulations include where imposing a requirement would go against a sincerely held religious belief or conscientious objection, as long as the claimant can show that he or she has reasonable prospects of finding work notwithstanding those restrictions.

The clause also enables advisers to take certain matters into account when setting up a work-focused interview or work preparation requirement. That could be used to ensure that any such requirements accommodate a person's current job, health condition or caring responsibilities. There may also be circumstances that justify claimants' exemption from having requirements imposed on them for short periods; for example, if they have just had a bereavement or domestic emergency. A specific example of that, which the Assembly debated yesterday before its debate on the Bill, was allowing claimants who have been victims of, or been threatened with, domestic violence to be given a 13-week exemption from any work-related requirements. That sums up clause 24.

**The Chairperson:** Thank you. We move on to clause 25.

**Ms M Campbell:** Clause 25 is about compliance. Claimants have to take all reasonable action to prepare for and look for work. Ultimately, what constitutes all reasonable action will depend on each case. We want to be clear about what we expect claimants to have to do in return for their benefit. Regulations under the clause will provide that only certain actions and a certain level of activity will be treated as taking all reasonable action. They will set out some matters that can be considered as contributing to reasonable action and any that cannot. That will set a benchmark minimum standard. For single claimants with no caring responsibilities, we expect that to be a full-time job search. We also expect that the actions taken must be those with the best prospects of finding work. We may also use that power to prevent abuse of the system by those who try to evade their responsibilities. So claimants who deliberately sabotage their chances of getting work by sending in the wrong CV or being unco-operative in an interview with an employer will not be considered to be actively seeking work and may be sanctioned. Claimants who are violent or abusive to jobs and benefits office staff during an interview will also be treated as not having participated. That concludes that clause.

**Mr F McCann:** We are starting to look into a group of clauses that includes sanctions. I think that some require an explanation of how sanctions will work in practice.

I understand the whole question of people being violent in local offices, and so on. However, there is a reference to claimants' behaviour or appearance. Will you explain that or give me an example of how someone's appearance can undermine his or her success in a job interview?

**Ms M Campbell:** I think that this is where a claimant answers no, or gives a stupid answer, to every question asked by an employer at interview.

**Mr F McCann:** Are you talking about body language?

**Mr Durkan:** It is behaviour.

**Ms M Campbell:** No, not body language.

**The Chairperson:** It is not about someone's physical appearance, as in whether they wear a shirt and tie.

**Ms M Campbell:** No, it is appearance in so far as whether they turn up to the interview intoxicated or in a state that means that they are unfit to be interviewed. It is what you would normally expect.

**Mr Brady:** What is normal?

**The Chairperson:** Some people's sartorial elegance would exclude them from all sorts of things.

**Mr F McCann:** Is there anything that lays out what this means? It may mean what you said, Martina, but it may also mean many other things. People may not be able to afford to wear a suit, shirt and tie for interview.

**Ms M Campbell:** No, it is not that.

**Mr F McCann:** I know people with tattoos on the side of their head or on their arms, and they were frowned on at interview. A tattoo is a personal choice.

**Ms McCleary:** Clause 25 makes no reference to appearance at all.



**Mr F McCann:** My point is that it does not say that it does not apply to appearance.

**Ms M Campbell:** The regulations will, I hope, contain more detail.

**Mr F McCann:** As Mickey says, it is common sense.

**Ms M Campbell:** Mickey's good friend, common sense.

**The Chairperson:** No doubt, we will return to this one again. We move on to clause 26.

**Ms M Campbell:** Clause 26 deals with higher-level sanctions. This provides for financial sanctions for those claimants who are subject to all work-related requirements and who, without good reason, fail to meet their most important responsibilities. We recognise that most people want to find work and will never be in the position of facing a sanction. The vast majority of claimants already comply with requirements. However, for the small minority who shirk their personal responsibilities, we need to have an effective sanction system that encourages responsibility and deters non-compliance. That links back to the overarching policy intent of universal credit. It is about making people take personal responsibility, making work pay and encouraging people into work.

Sanctions, especially for the most serious failures, are set at too low a level. Claimants are not always clear about the consequences of failing to meet their requirements. We want to create a clearer, stronger system that is easily understood by claimants and acts as a more effective deterrent to non-compliance. The clause provides for sanctions of up to three years for the most serious failures: failing to apply for a vacancy; failing to accept an offer of work; failing to take part in certain work placement schemes, such as work experience and mandatory work activity; and losing pay or employment voluntarily or by reason of misconduct. Those failures clearly damage a claimant's employment prospects, and it is only right that we have a sanction system that effectively deters such behaviour.

The amount of the sanction will be set in regulations. We intend to set a sanctionable amount that is broadly in line with the existing jobseeker's allowance arrangements: for example, a single claimant subject to a sanction is expected to have his or her benefit reduced by about £9 a day.

The sanctions period will be set in regulations, too. Those will come before the Committee and be subject to confirmatory resolution. We expect the sanction period to be three months for a first failure, six months for a second and three years for a third and subsequent failures. A three-year sanction would only ever be imposed where a claimant fails to meet their most important requirements on at least three separate occasions. We expect that to be applied to very few claimants. There will be some circumstances where shorter sanctions may apply; for example, when a claimant leaves a job voluntarily a week before their contract ends, but such cases would be the exception. If a claimant refuses to participate in work experience or mandatory work activity and cannot show good reason, they would get a three-month sanction. If, four months later, they were asked to apply for a job, and they refused to do so, and, as long as there is no good reason, their sanction would be for six months.

There are clear sanctions that are critical to incentivise claimants to meet their responsibilities. Only in the most extreme cases of non-compliance will claimants face a three-year sanction. In the example that I have just given, the claimant would have to refuse another job or fail to meet another important requirement within 12 months of the second failure, and then they would be sanctioned for three years. As I said earlier, when a claimant comes in and they are discussing their work availability, their work preparation and work search requirements, that will all be built into the claimant commitment, and details of the sanctions that will be applied for failure to meet any of the agreed requirement will be set out clearly. The claimant will be made fully aware of what they are signing up to. That concludes the explanation.

**Mr Brady:** We are getting to the crux of the whole thing, which is sanctions, and that is what it is all about, although people might see it in other ways.

Over the years, I have dealt with cases where somebody was working and, for whatever reason, the employer accused them of misconduct. Obviously, that person would go in and make a claim and be asked whether they left voluntarily or were sacked. A form would be sent to the employer to give their reasons, and the person would also get a form, and a decision would be made on the basis of that. Again, we are back to guidance. You could get an employer who has something personal against

somebody, and that person could be sanctioned. It could have been the equivalent of constructive dismissal, or something like that. It always seemed to me that the credence, in many cases unfortunately, was given to the employer, even in cases where the employee or the claimant was not at fault.

I have another question. I know that Michael was going to ask it, but I am going to ask it as well. In the case of the sanctions — three months, six months and three years — if that is the head of the household, and let us say that he has a wife or a partner and three or four children, does the partner have to make a fresh claim in her own right? Technically, they are regarded as a couple living together, and that creates difficulties around that, because they would still be treated as a couple. Is the family going to be sanctioned as well?

**Ms M Campbell:** No. Hardship provisions are built in, so the payment will continue.

**Mr Brady:** Will the same amount of benefit be paid to the partner and children? You think of a hardship payment as something temporary, short-term or crisis and not even subsistence level.

**Mr Pollock:** The individual's amount would be reduced. If I were the individual —

**Mr Brady:** Would it be like a split payment? There could be an argument where somebody who gambles or drinks or whatever would be taken out of the equation and the partner would get the equivalent of the overall benefit less a single person's amount, or something like that.

**Ms McCleary:** Something like that.

**Mr Brady:** That would need to be clarified.

**Mr Copeland:** The case would not be that the miscreant, if that is the right word, or the person who had been sanctioned continues to get the payments, on the basis of being head of the household, with his amount taken out?

**Mr Pollock:** They would continue to qualify for hardship payments in their own right. They would get access to hardship payments.

**Mr Copeland:** So, the person who has been sanctioned would cease to be head of household?

**Mr Pollock:** They would not qualify for benefit —

**Mr Brady:** Would the partner then be classified as a lone parent and get the lone-parent rate for themselves and the children?

**Mr Pollock:** Sorry, Mickey. Would what?

**Mr Brady:** The head of the household has been taken out of the equation. Would the partner who gets the benefit then be classified as a lone parent and receive the attendant premiums?

**Mr Pollock:** We are getting into the detail. I would not like to say yes or no. However, I would imagine that they would still be defined as part of a couple. The overall amount would —

**Mr Brady:** That is a technical detail.

**Ms M Campbell:** That detail will be in the regulations. We will have a look at the Department for Work and Pensions regulations that are available and come back to you on that on Tuesday. It may be that we do not have that level of detail. However, I might be able to give you some kind of high-level —

**Mr Brady:** Chair, I am not trying to be — well, I am trying to be picky because you have to be. I think that it is important to flag up these issues now for your sake as well as ours, because it gives you the opportunity to come back to us.

**Ms M Campbell:** Absolutely. I agree totally.

**Ms McCleary:** Basically, the idea is that the person who is penalised is the person who has not co-operated. The family should not be affected. That is the general direction of travel.

**Mr F McCann:** I want to go back to the issue of crisis payments. If, as Mickey says, the identified head of the household has moved out of the equation, and a person has to apply for money to survive, how long does it take? In some of the stuff that you have here, it looks as though the person will have to make a new claim for benefits. If the head of the household is out of the equation, there has to be a reassessment of benefits. Take, for example, somebody who has three children. That person goes into the office and says that their wife or husband has been sanctioned and they have to make a claim for benefits in their own right. The office tells that person that they are overloaded and offers them an appointment in four weeks' time.

**Mr Pollock:** I do not think that that will necessarily be the case, Fra. One point about universal credit, which the Minister mentioned yesterday, is that a person will be on the system for at least two years after. Therefore, all the details of the claim, whether it is for a couple or individual, would be on the claim.

**Mr F McCann:** It is a change of circumstances.

**Mr Pollock:** It is a change of circumstances. However, the details would relate only to one particular issue. *[Inaudible due to mobile phone interference.]*

**Mr F McCann:** So, if somebody walks in, staff could press a button and find out that their eligible section of that money is £54 a week. They will just deduct the £54 a week and pay the rest. You know that it does not work like that.

**Mr Pollock:** No; it would not work like that necessarily. It would require some level of decision. However, in theory, it should work something along those lines in so far as the household claim for universal credit has been assessed at x amount, which is the total of your claim, your partner's claim, any allowance for housing costs, any allowance for *[Inaudible due to mobile phone interference.]* and any other additional premiums. If, as you say, someone is sanctioned because he or she did not comply with a requirement, that amount should be reasonably simple to deduct.

**Ms McCleary:** I do not think that there is any need to make a fresh claim.

**Mr F McCann:** For the purposes of that, could we find out?

**Ms McCleary:** We will come back on that.

**Mr F McCann:** Is "good reason" is the same as "good cause"?

**Ms M Campbell:** Yes.

**Mr F McCann:** So, the same would apply.

**Ms M Campbell:** Yes.

**Mr F McCann:** I have dealt with cases in which people have been sanctioned for a couple of weeks. I have actually gone to the office with them and argued their cases for crisis loans. Cases took, perhaps, five or six days to assess. By that time, the crisis was over and people did not get payments. I understand what you are saying. You are going by what is there to the letter. However, it does not work in offices.

**Ms M Campbell:** I know.

**The Chairperson:** We need clarification on the process when someone is sanctioned, whether it is for three months, six months or three years, and how that actually impacts on the other party to the claim.

**Ms M Campbell:** Clause 27 deals with other sanctions. This provides for financial sanctions for claimants who, without good reason, fail to meet certain work-related or connected requirements. The whole emphasis is on creating a clearer and stronger sanction system that acts as an effective deterrent to non-compliance. We also want a system that, in the case of certain failures, can incentivise claimants to re-engage quickly. Clause 26 provides for higher-level sanctions up to three years, and any failures subject to those sanctions cannot also be sanctioned under this sanction. You cannot have a double whammy. This clause provides the power to impose sanctions for other failures for an open-ended period and for a fixed period of up to 26 weeks, or a combination. As with the previous clause, the sanctionable amount will be set in regulations and will be broadly equivalent to the amount that will be sanctioned under existing benefits. To use the same example, a single jobseeker who fails to meet his requirements is expected to see his universal credit award reduced by £9 a day.

We expect to use the powers under this clause for three broad levels of sanctions. Medium-level sanctions will apply to claimants who are subject to all work-related requirements who fail to take all reasonable action to search for work or be available for work. The actual sanction periods will be set in the regulations. Medium-level sanctions will be four weeks for a first failure and three months for second and subsequent failures. Claimants who fail to meet particular work preparation requirements, such as participating in skills training, will face lower-level sanctions. Lower-level sanctions may be applied to claimants subject to all work-related requirements and claimants who are subject to work-focused interviews and the work preparation requirement only. Sanctions will also be applied to claimants in these groups who fail to meet connected requirements such as participating in interviews and supplying relevant information.

So, we intend to introduce two components to the lower-level sanctions, an open-ended component that will continue until a claimant re-engages with their requirements and a fixed component. The fixed component will last for one week for a first failure, two weeks for a second and four weeks for a third and subsequent. The purpose of the open-ended component is to encourage claimants to quickly re-engage. It will be clear to all that the quicker you re-engage, the shorter your sanction. Some claimants will be only required to participate in work-focused interviews, and the amount of the sanction for claimants in this group will be lower than that for jobseekers and claimants with limited capability. Again, all the detail of this will be set out in regulations. That is my explanation of that. Again, these regulations will come before the Committee and be subject to confirmatory procedure.

**Mr Copeland:** I want to ask one thing.

**The Chairperson:** Then, are you going to go away?

**Mr Copeland:** I will be away two seconds. Is the time distance for travelling 90 minutes, or whatever it is, within the territorial and geographic integrity of Northern Ireland, or does it include other neighbouring states?

**Mr Pollock:** Ninety minutes is 90 minutes. It depends what direction you go in.

**Mr Copeland:** I mean does it apply on both sides of the border, if work were available in another jurisdiction?

**The Chairperson:** You have to allow for check-in time at Heathrow.

**Ms M Campbell:** I do not think so. We will clarify that.

**Mr F McCann:** Part of this was asked earlier, and it is something that we have laboured on. People may suffer from different forms of mental illness and do not realise that they are ill. They could be bipolar, for example, and not recognise it. Is there anything to allow for that? People might get deeply offended that they are being sanctioned for something that they cannot do anything about.

**Ms M Campbell:** If they do not know that they are ill, how would the adviser know?

**Mr F McCann:** The point is that people have gone back to friends and family and told them that they had been sanctioned and could not understand why. When you phone the office and explain that the person is bipolar, the sanction is already in place.

**Ms McCleary:** The issue then would be whether the sanction could be removed once that representation is made. It is almost an informal appeal.

**Mr Pollock:** I would be amazed if a client adviser did not pick up on something such as that.

**Mr Brady:** That goes back to a question that we asked four years ago: what training will client advisers have to pick up on this?

**Mr F McCann:** That is the issue.

**Ms M Campbell:** We said that we would come back to you on that.

**Mr Pollock:** We do not expect them to be experts in all aspects. Their day-to-day job is dealing with individuals.

**Ms M Campbell:** Clause 28 is about hardship payments. Again, most of the detail will be in the regulations, which will be confirmatory and which will come before the Committee. This provision is to introduce a clearer, stronger sanction system under universal credit. It will be a system that is easily understood by claimants and which acts as an effective deterrent to non-compliance. Alongside improvements to the sanctions system, we want to maintain important safeguards. These include provisions to make hardship payments. Regulations under this clause will enable hardship payments to be made where any universal credit claimant has received a sanction and, as a result, is or will be in hardship. Many aspects of the system will be similar to the current arrangements under jobseeker's allowance. For example, in determining whether a person is or will be in hardship, we will continue to look at matters such as the resources available to the claimant's family or wider household. We will also take into account the risk that, without hardship payments, essential items such as food, heating and accommodation will not be available to the claimant or their family. These matters will all be set out in regulations.

In line with the current system, hardship payments will not be made automatically. Claimants will only be eligible for the payments if they make an application providing a statement of their circumstances and continue to meet their work-related requirements. Again, all this will be set out in regulations. We expect the rate of hardship payments to be broadly similar to current rates. This means that hardship payments would be equivalent to approximately 60% of the value of the sanction. So, a single jobseeker who would have been sanctioned £9 a day would have his award reduced by around £65 a week, and if he were to successfully claim hardship, he would expect to receive a weekly payment of around £39. It is roughly 60% of the sanctioned amount.

We intend, however, to introduce some changes. We want to ensure that the existence of hardship payments does not undermine the deterrent effect of sanctions. Therefore, we intend to make hardship payments recoverable. We are also exploring options for time-limiting payments so that claimants who repeatedly fail to meet their work-related requirements cannot rely on hardship payments for the duration of their sanction. We recognise the need, however, to ensure that a robust safety net remains in place. Therefore, these changes will not apply to certain groups of claimants whom we consider to be most vulnerable, either through their own circumstances or those of a family member. For these purposes, we expect such groups of claimants to reflect those currently eligible for jobseeker's allowance hardship payments without being required to wait for 14 days from the beginning of the sanction period. This will be extended to cover anyone *[Inaudible due to mobile phone interference.]* This is about putting in place important safeguards to protect vulnerable people, and it is also about helping to incentivise claimants to meet their requirements while protecting the most vulnerable people and their dependants. That is my explanation.

**Mr Brady:** Why do you not call them crisis loans rather than hardship payments? They are exactly the same thing. You made an important statement about protecting vulnerable people. The fact that they are vulnerable may well be the reason why they are initially sanctioned. It goes back to staff assessing competence. Competence is a big part of why that person is actually failing. In a way, you have hit the nail on the head; if you are going to make provision for them being vulnerable, why sanction them in the first place?

**Ms M Campbell:** That is right. I keep saying that it comes back to the claimant and the relationship that they build up with the adviser. Through this regime, that relationship and trust will, hopefully, build up. The adviser will get to know the claimant and be aware of other factors —

**Mr Brady:** I accept that, and you have to pay tribute to social security and DEL staff who deal with this; you have some very good advisers. Their difficulty is that they may not be able to pick up on the nuances of a person's condition, a bipolar disorder being one such thing. I represent many people with bipolar disorders, and if you sat down and talked to them on a good day, they could fly to the moon; the next day, they would not be capable of doing anything. That is why I think that training is important.

**Ms M Campbell:** We will come back to you on that.

**Mr Brady:** I am not talking about medical training, just what is required to pick up on such things. The same applies when dealing with autistic adults.

**Mr Pollock:** In the past, we shied away from specifying things such as bipolar or autism; somebody else might say, "Well, I'm as bad".

**Mr Brady:** Somebody was just in a bad mood that day, and that could have been the staff. *[Laughter.]*

**Ms M Campbell:** Clause 29 allows the concurrent exercise of functions by the Department for Employment and Learning. It is really to reflect the difference in how jobs and benefits offices are structured here. It allows DEL to carry out functions in respect of the work-related requirement. That is it, plain and simple.

**Mr Durkan:** What might happen, given the uncertainty of DEL's future?

**Ms M Campbell:** If DEL is dissolved before the Bill goes through, the draftsmen will make provision to bring those functions into another Department, to DETI or wherever. If it is not dissolved by the time the Bill is passed, the transfer of functions order will carry the consequential amendments to the Bill that will bring those functions into whichever Department gets those work search powers.

**The Chairperson:** OK; thank you.

**Ms M Campbell:** Clause 30 relates to the previous clause about DEL carrying out functions on our behalf. So, it is about allowing contracted providers in the private and voluntary sectors to exercise functions relating to imposing work-related and connected requirements. That is needed to deliver employment programmes, such as the new employment programme Steps 2 Success, which DEL is consulting on. A jobs and benefits adviser, using the power to impose work preparation requirements under clause 16, may require claimants to participate in a work programme. Work programme providers — these guys in the private or the voluntary sector — will then be authorised, through clause 30, to impose relevant requirements, such as work preparation or participation in a training course, on claimants.

Any functions that are contracted out in that way will be subject to the same restrictions that apply to jobs and benefits advisers. Providers will be able to impose only requirements that are appropriate to the claimant's circumstances and to the group that the claimant is in. So, if the claimant has been assessed as only being required to take work preparation steps, the provider cannot then require them to look for work or attend and interview for work at the same time. An important point is that the ability to impose sanctions cannot be contracted out. If the claimant were to fail to comply with any requirement that is imposed by the private person, the decision to sanction will be for jobs and benefits decision-makers.

**Mr Brady:** Fra and I were on the Committee for Social Development in the previous mandate. You mentioned clause 16, which we tried to have deleted because of the privatisation aspect. The then Minister for Social Development will remain nameless, but she told us that there was no need to change or delete it, because it was never going to happen. We tabled the amendment, and it was voted down. About four weeks later, medical support services became private. She spoke with a forked tongue, for want of a better expression. There seems to be an agenda to privatise. If I worked in the Social Security Agency, particularly in a local office, I would have serious concerns about the implications of this because it opens the door for large-scale privatisation. I know that you are talking about Pathways to Work and all that, but clause 30(2) states:

*"An authorisation given by virtue of this section may authorise the exercise of a function—*

(a) wholly or to a limited extent;"

The Department can authorise someone to do that. That gives a very wide remit, and that is worrying. I keep quoting Atos as an example, but it is a good example of a bad example, if that is the right way to put it. To me, that clause opens the door to privatisation. The staff must feel that, and I am not sure what consultation there has been. We have recently had meetings with NIPSA, and it is certainly not happy about this. It will affect not only claimants but staff.

**Ms M Campbell:** Of course, many of our staff will be our claimants because many of them will be entitled to claim universal credit.

**Mr Brady:** I accept that. When I worked in the social security office and family income supplements were introduced, a special section had to be set up for civil servants [*Inaudible due to mobile phone interference.*] The point is that they may be well be going on to universal credit.

**Ms McCleary:** It may be the voluntary sector that becomes involved in this. We just do not know.

**Mr Brady:** That might well be the case, but that goes back to the whole issue around funding for the voluntary sector.

**Ms McCleary:** If the voluntary sector were to take on this work, it would not be doing so for the good of its health. It would have to be paid for it.

**Mr Brady:** It depends how much. It is semantics, but I wanted to flag that up. We have been down this road before about clause 16, and we are five years on from 4 June 2007, when this was first introduced. By 25 June, it was a done deal because it went through on accelerated passage.

**The Chairperson:** We have clarified what the Department's intention is. It is now 2.00 pm. We are scheduled to work until then, and I presume that we will be inquorate very quickly. I propose that we conclude at clause 30. We will return to that.

Martina, Anne, Michael and Margaret, thanks very much for your support and guidance. When we resume next week, we will recap where we are at. If members are broadly content with the way that we ran this session, we will do the same thing next week. Next week, we will have a brief recap from the Committee Clerk. If there is additional information that we could not get today, can we have that by next week? If members are happy enough, we will proceed on that basis.

There is one other item on which I will give notice, because it affects the Bill. In the Assembly last night, I mentioned considering invoking Standing Order 35. We cannot deal with that today or even tomorrow because it is a substantive Committee item. As it has not been invoked before, the Clerk, the Bill Office and the Speaker's Office will be consulting on that issue. We will deal with that as a substantive Committee item next week.

**Mr Douglas:** Will you clarify that it is not the case, as was suggested last night, that there will be a separate committee?

**The Chairperson:** This is the Statutory Committee, and, as I said, I do not want to open up the discussion because, in fairness and out of courtesy, I am just giving notice that I have asked officials to look at Standing Order 35. Ultimately, that question will be dealt with by a Speaker's ruling because it has not happened before. We will give a full report to members next week. I am serving a wee bit of notice that I am looking at this as a member. We will bring all the relevant information to the Committee when we have it.

**Mr F McCann:** Mickey raised the question earlier of bipolar people. Is there anything in writing about this Bill or the previous Bill, to which we put down an amendment in 2007, that details the training and its duration and quality that staff get to enable them to monitor people they see? There must be some guidance there.

**Ms M Campbell:** There is.

**Mr F McCann:** There is nothing there. I have spoken to a number of personal advisers over time, and, to be perfectly honest, they think that the training they get is a joke. In fairness to them, it does

not equip them to deal with such situations. We can talk about what may be suggested in a Bill, but the actual outworking of this does not happen.

**Ms M Campbell:** The Disability Discrimination Act 1995 requires all employers to provide some level of training to all their staff on the requirements under disability legislation.

**Mr F McCann:** Could we have that?

**The Chairperson:** OK, because it is, I suppose, a substantive item for discussion at some point, so —

**Mr F McCann:** It was raised as part of today's discussions.

**The Chairperson:** That is not a problem.

**Ms M Campbell:** OK; thank you.

**The Chairperson:** Thank you very much.