



Northern Ireland
Assembly

Committee for Social Development

OFFICIAL REPORT (Hansard)

Welfare Reform/Universal Credit
Communication Plan:
NISRA/Social Security Agency Briefing

14 March 2013

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Alex Maskey (Chairperson)
Mr Mickey Brady (Deputy Chairperson)
Mr Sydney Anderson
Ms Paula Bradley
Mr Gregory Campbell
Mrs Judith Cochrane
Mr Michael Copeland
Mr Mark Durkan
Mr Fra McCann
Mr David McClarty

Witnesses:

Mr Paul McKillen	Northern Ireland Statistics and Research Agency
Ms Ciara Dolan	Social Security Agency
Ms Sharon Gallagher	Social Security Agency

The Chairperson: I welcome Sharon Gallagher, Ciara Dolan and Paul McKillen. Thank you for your patience and your attendance. I remind members that this is not a discussion on the policies around all of this but solely on the idea of a communication plan for welfare reform and universal credit (UC). Your papers are in tab 2 of your pack. We are being recorded for a Hansard report. Over to you folks.

Ms Sharon Gallagher (Social Security Agency): Thank you all for inviting us this morning to talk about the Department's plans for welfare engagement. As you are aware, welfare reform represents the most significant transformation of the welfare system since its inception. Although the proposals are still being considered by the Assembly and are not yet law, the Department recognises the need to identify and engage with key stakeholders, particularly customers, to ensure that they understand and are prepared for any changes that might lie ahead.

A great deal of work has been ongoing since 2010 in this area. However, given the scale of change, the range of stakeholders and the level of concern, the Department decided to set up a dedicated welfare reform engagement team to provide more focus in that area. The team came into being in November last year and, building on previous work, we have identified six key objectives. We want to position the Department as a trusted source of information on welfare changes by making information easy to understand, timely, accurate and consistent. We want to have well-informed claimants and staff in a state of readiness and acceptance by providing easy to understand, timely and accurate information. We want to utilise all available communication channels to encourage understanding of the changes that will take place. We want to engage and involve partner organisations and those

organisations directly impacted by welfare reform to ensure a co-ordinated approach and a consistent message. We want to position and support the Minister for Social Development as the main spokesperson and bring about long-term attitudinal changes among the wider public on welfare system issues.

The approach deployed in the Department to meet those objectives covers three main areas. We are identifying key stakeholders and developing an understanding and awareness of their needs. That helps to inform our engagement and communication approach. Specifically, the Department has carried out a number of research and insight programmes. They are set out in annex A of your paper briefing. Some of the key areas are understanding the experience of clients with disabilities, understanding public opinion on welfare reform through the omnibus survey and carrying out research to examine the profile of potential and existing claimants for universal credit.

We have established a database of over 230 interest organisations in the advice, faith, public and community and voluntary sectors, which we use to track opinions and attitudes in order to inform the best engagement approach. Secondly, we work collaboratively across government and the voluntary and community sector to develop a partnership approach to engagement where possible. We routinely present joint information and consultation events on a wide range of issues with key stakeholder groups. Ciara can provide more detail on that if you want. Additionally, we have developed a partnership approach to consultation and have worked most recently with the Northern Ireland Council for Voluntary Action and the faith sector in a consultation on payment flexibilities.

Finally, we promote a co-ordinated consistent approach to engagement, particularly across government, to avoid mixed messages, message overload or message starvation. What I mean by that is that one part of the Department or one part of government sends out a message on welfare reform that is inconsistent or goes against what is happening in another part of the Department, or one part of the department sends out many messages to customers while another part of the Department does nothing. So, the team actually looks across the piece and makes sure that there is consistency throughout.

As regards challenges, obviously, in determining the engagement activity, we are hugely aware that the proposed changes are not yet law. We are mindful of the anxiety that exists around that area, and we do not want to fuel or exacerbate that anxiety in any way. That said, the Department has a responsibility to take a leadership role in informing the people of Northern Ireland, to ensure that people have accurate information in a way that they can understand and to dispel the myths and to correct misinformation. For example, this week in my local paper, it was reported that the bedroom tax was being introduced in April. As you can imagine, that kind of message will undoubtedly create alarm among readers. In everything that we do, we will consider the impact so as to avoid unnecessary alarm or confusion.

A flavour of the work that we have done so far is set out in annex B of your briefing. Moving forward, we will continue to be mindful of the need to inform without raising alarm, but we are very mindful that the proposed changes are not yet law. We have a number of initiatives in train, which are set out on page 13 of your briefing. We will have more collaboration with the voluntary and community sector, we will continue our work to enable people to access services online, and we will have additional use of social media.

You have already been informed of our work to publish the information that we currently have on the impacts of welfare reform in Northern Ireland, and Paul is here today to cover, at a high level, the information about universal credit and housing benefit. We plan to continue that work, and a letter will be issued to you today to advise of the launch, next week, of the information in relation to employment and support Allowance (ESA) time-limiting and the changes to housing support. That will be followed shortly after with information about the personal independence payment (PIP).

Today, I want to share with you the plans to issue a welfare reform leaflet to all households in Northern Ireland. With the Committee's agreement, I will pass around very rough mock copies of what it might look like. They will probably fall apart. We have used staples, Sellotape and colouring pencils where appropriate. The rationale for the leaflet is to inform the people of Northern Ireland of the changes proposed under welfare reform and how it might impact them. The Department spent much time deliberating on the timing of the leaflet, given that the Bill has not yet been through the Assembly, and, as I previously said, we do not want to raise alarm or concern. However, we are conscious of the extent of coverage and comment already in the public domain. Much of it is accurate, but some of it is not.

Additionally, some customers have been, and more will be, alerted of the potential change to their benefits. We do not want those letters to be the first communication that our customers might receive on the proposed changes. Indeed, as you know, the law has been passed in Westminster. Many of our customers and clients, and some of the public, believe that we are on the same track as GB in those cases and that some of the changes already effected in GB are actually in place here.

We brought the leaflet to the Executive subcommittee a number of weeks ago, and we had some very useful discussion and debate around it, particularly in relation to the timing. The Executive subcommittee concluded that the leaflet was a useful communication and that there really is no perfect time for issuing something like that, so it agreed in principle to our issuing the leaflet.

The leaflet has a colour-coded, stepped approach. It is meant to be very straightforward and easy to read. There is a section for each of the changes set out under welfare reform. We have worked very closely with the advice sector to ensure that the language is easy to understand. We have been careful throughout the leaflet to say that the changes are not yet law and to advise people that they do not need to do anything because we will contact them if they are impacted. It is still in draft form. We hope to have the leaflet issued by the middle of April, and we are working very closely with advice colleagues in order to finalise the wording to make sure that it goes out in a way that is easy to understand and meets the needs of the public.

As regards the communication plan around the leaflet, obviously, we will be briefing our staff and the voluntary and community sector. We will also be working with the media to ensure that the people of Northern Ireland, particularly our customers, know that it does not impact them at the minute and that it is not yet law. We are going to be very careful about those messages.

I am happy to take any questions on what I have said about the leaflet before passing on to Paul to talk about the detail of the publications last week.

The Chairperson: To me, there is a culture around this. It jars with me that we are going to the bother of issuing a very considerable document when, at the point of distribution, the Bill will be at Consideration Stage in the Assembly. It usurps the role of the Assembly. I am not attacking you three; you are obviously doing very good work on the preparation of all this. As a policy issue, I find it quite annoying that a leaflet is being given to people to tell them what the outcome is going to be before the Bill has even gone through Consideration Stage. I am just putting that on the record. It usurps the role of the Assembly; it is contemptuous in policy terms. I am not being disrespectful to you.

Mr Copeland: To be honest, I am a wee bit jarred by that as well. The pages are not numbered, but I expect that to be rectified. I see that we have new powers to tackle fraud, which I fully understand, endorse and support. The public might benefit from some indication of what happens in the cases of error, be they customer error or departmental fraud. There appears to be a view that a massive number of people are defrauding the public purse of a massive amount of money. The actuality is that error that is committed by the Department or the claimant can, in some cases, be a good deal more. I see a substantial number of cases in the course of my constituency business. In some cases, it is genuine customer error. The process appears to be that you have to pay it back, and that is it. You need something to cover error in the same way that fraud is frequently highlighted. I appreciate the need for the document, but, as the Chair said, it rather puts the cart before the horse. Since we have just finished discussing bookmakers, that is an unfortunate pun.

You have a list of the key audiences. I am particularly interested in how you are going to engage with people who may have an underlying entitlement but do not know that they have or do not have the physical or mental capacity to establish that. Although we can look at "disabled" as an overarching term, there are a number of levels and types of disability. I always find that those who are most in need are the least likely to understand the system or take cognisance of it. You may need to pay some attention to those who may have an entitlement but do not actually have the capacity to follow it up. That is particularly in regard to PIP and, to a lesser degree, ESA in Northern Ireland. We have a different potential claimant profile here because mental illness is much more prevalent. A small number of people have a mental illness or learning disability and are homeless and live on the streets, but that does not remove their entitlement to support from society. Any outreach work that you do has to be focused on where the need is. I would appreciate it if you took on board those remarks.

Ms Gallagher: Those are very valid points, Mr Copeland. I will address some of them. We hope that the leaflet will alert people who are not benefit customers at the minute, for example those on working

tax credit and others, to the fact that they may have an entitlement, albeit in a very high level way. You will know that the Department has its benefit entitlement uptake unit. It is working very hard to get new ways and approaches to ensure that people understand their entitlement. It works very closely with the voluntary and community sector in that regard.

My team has built very strong relationships. I appreciate that the paper briefing was at a very high level. We have quite a range of very strong and robust relationships with organisations such as Mencap, Action Mental Health and others to understand the particular needs of certain groups and subgroups. As you quite rightly said, people are labelled under broad generic groups, but there are needs underpinning that. We are working our way through those separate groups to understand what we need do to address those particular needs.

Mr Copeland: Is there connectivity in the case, let us say, of a special-needs educated young person and what happens when they come to an age at which they are supposed to be looking for work? Does anyone look and say to them, "Well you went to that school, and you may be entitled to benefit". My question is based on a specific case in which it was identified that a person in receipt of ESA support group benefit had been underpaid £40 a week for something like four years. It was eventually sorted out, but the evidence of that entitlement was there and, in my view, it was unreasonable to expect the recipient to understand the system. Could more have been done to pick up that need at the time and prevent the subsequent palaver?

Ms Gallagher: The short answer is that more can always be done. As you know, the Department spends a lot of time and resource in making sure that people understand and take up their entitlement. That is done through not just the small benefit entitlement unit — although its reach is extensive — but through our front line services' work with the advice services and our funding of them. Things like the benefit checker are online, so a range of initiatives are in place. However, you are right: we must continue to keep that as a very strong focus in our work moving forward. As we move into the potential changes, people will become much more confused. Everything changes, and people in an advisory role will no longer be as comfortable as they have been about knowing a person's entitlement. So, we will need to be mindful of that, moving forward.

Mr Copeland: Will something be put in place similar to the special rules for disability living allowance (DLA), which, I understand, allow someone who is terminally ill to receive benefits entitlement advice on what is available to them soon after or at the time of their initial diagnosis? In many cases, a diagnosis of a terminal illness can mean the end of the relationships, employment and other things, all of which result in a diminishing income. It is particularly important that sensitive advice and guidance is given at that time. In my view, the special rules system that is currently part of the disability care service under DLA works; it is not perfect, but it is as good as one could possibly contemplate. I believe it to be vital that those who have an entitlement are made aware of and given it.

Ms Gallagher: Perhaps Ciara will pick up on that.

Ms Ciara Dolan (Social Security Agency): I know that the PIP team within the Department for Social Development has been working heavily with the independent community, voluntary and advice sector. More than 70 organisations are represented on a forum that it meets every four or five weeks or so. The next meeting will happen this week. So we know that community, voluntary and advice organisations have been really involved in the customer journey for people going through PIP in Northern Ireland. Capita has been over here to brief to community, voluntary and advice organisations on how it will work, and I know that Capita is going to work with organisations here to make sure that people are supported right through that process.

Mr Copeland: In the ESA system, which will absorb the DLA system, a statement from a doctor will replace the communication. This is a sort of tick-box thing. I have attended several appeals recently where it emerged that a benefit decision appears to have been made in the absence of seeing that document — I cannot remember its name, is it the ESA50? We have gone to the appeal, where the departmental officials who were there were not able to give an explanation, but the legal team said that the decision was unsafe because the evidence that was available was contemporaneous. In other words, the doctor's opinion had not been considered by the decision-maker in the carers service. Therefore, he preferred the only evidence that he had, which was the findings of the medical examination carried out by Atos. Those things cost an absolute fortune to take to appeal, and it was found that there were no grounds for appeal because the decision was basically wrong before it was ever even taken.

Ms Gallagher: We are not qualified to answer that question, but we are very happy to take it away to get a response.

The Chairperson: We are straying into the policy rather than the communication issues. It is sufficient to draw attention to that.

Ms Gallagher: You saw the panic on our faces. *[Laughter.]*

Mr Copeland: It was worth it for that.

Mr F McCann: Michael touched on some of the questions that I was going to ask. It goes back to trying to pre-empt the decision of the Assembly. During the week, people called to me because housing associations had been going out to people's houses. If there is going to be a campaign to enlighten people on how to deal with this, it should be one campaign and not a confusing campaign involving a number of people. They are going out and explaining to people about the workings of the bedroom tax or underoccupancy. Within a couple of days, they are receiving their rent card. Like Alex, I said to the chief executive of the housing association that no decision has been made, but the associations were saying that to the tenants as if everything had been signed and sealed. That adds more confusion than anything else for people. If there is some correspondence or communication between you and the housing associations, there should be only one campaign to enlighten people.

Ms Gallagher: We are hugely aware of different organisations going out with messages. Earlier, I referred to my local paper saying that the change was going to happen in April. We cannot possibly stop all those communications, because we simply do not know what is being issued at any given point in time. We acknowledge the difficulties around the timing. One of the benefits of issuing a leaflet at this point in time is that we can go out in a very clear way to say to people that it is not yet in law and we do not know when it might impact on them. To be fair, people are filling the vacuum that has been created. The Department feels that it has a responsibility and leadership role to get very clear messages out about what exactly is in welfare reform, who it might impact and, more importantly, who it will not impact. Taking all of that into account, we are very aware of the misinformation that is around. This is an attempt to try to put on record what is happening. However, we acknowledge fully the difficulties around the question of when is the right time.

Mr Campbell: It is an excellent idea. You said that the leaflet has been before the Executive subcommittee. I presume that, as you are here, nobody has said that you cannot go ahead with it.

Ms Gallagher: There was a similar discussion at the Executive subcommittee. All members concluded that it was, on balance, a good idea.

Mr Campbell: There are a couple of things. Timing is crucial. This week is a classic example of timing. I can think of a number of organisations, such as the Royal British Legion and other ex-service personnel welfare organisations, that alerted armed forces personnel to the underoccupancy issue last Friday and indicated a particular line that stated that this was going to happen and that they should do x, y and z. On the Monday, the Department for Work and Pensions (DWP) made the announcement that, hopefully, takes care of that part of it. Timing was crucial in that respect. Somebody put out a leaflet similar to that on an ex-service issue. By Monday, it was redundant. Timing is crucial. I presume that you know that anyway, so that is more or less a statement.

The question is twofold. Changes are listed under "Executive Working For You"; it is who will be affected and when. It states that pensioners and tenants who do not receive housing benefit will not be affected by these changes. That is an important thing. It would probably be better if that were highlighted. If that is going out to 750,000 homes, in my experience, the very first thing that will come into the minds of most people who get it is, "How will this affect me?" If it affects somebody else, they may say, "That's OK; we need to do a, b or c." However, the first thing that will come into their mind will be, "How does it affect me or my family?" So, a major issue is that the perception is circulating that it will negatively impact people when, in fact, it will not. That should be highlighted for those who will say, "Right; how is that going to affect me?" so that they know that they will not be affected. To have that highlighted would at least put them at ease.

The other issue relates to the unfortunate use of sound bites in the present era. I think that the approach is a good idea, but how co-ordinated will it be when the timing goes out? Whoever the people are, they will be on social media, radio and television giving — unfortunately, but that is the

way it must be — sound-bite responses to this. It is important that, when people hear that, they can look at it, go away and examine it, and come back and say, "Right, I think that I may be affected. What do I do?" How co-ordinated will this be? What happens after 700,000 of these leaflets go out?

Ms Gallagher: A key reason for setting up the team was to make sure that we do not just carry out single initiatives and not understand the broader impact. We are acutely aware of the impact that this may have on households. We are very clear about having a whole plan that fits around this, not just with the media but with our front offices, jobs and benefits offices and our customers, so that we have a broad communications plan that addresses what is and is not in here; what it says and what it does not say. We must be able to manage those sound bites and the feedback from that and to move quickly to address any issues that are raised. There will be a full plan around this.

Mr Campbell: Is it intended that the approach will be very co-ordinated?

Ms Gallagher: Absolutely. The plan is to issue all the leaflets and have them drop in one week. We will have a series of communications, interventions and activities over that week — with jobs and benefits offices, the press, social media and our front line staff — to make sure that we pick up on any issues or concerns.

Mr Campbell: I am glad to hear that that will all be done in a week, because a drip-feed leads to rumours circulating and people starting —

Ms Gallagher: Royal Mail permitting.

The Chairperson: It is welcome to 'The Nolan Show' as well.

Mr Campbell: Based on it all being done in a week, is it the intention that a co-ordinated plan will be in place so that, at 9.00 am on the Monday of the first tranche — the first 100,000 or however many it is — being sent out, the offices respond to whatever the impact is, including that from programmes or social networking, which will be significant, and so that, within a day or two, people read, see and hear about issues and know what does or does not affect them? Is that right?

Ms Gallagher: That is exactly right. We want to have the best impact and get the best coverage, but also understand right away what that impact is on people, so that we can respond to it. The plan is not fully developed, but it will be broadly along the lines that you described. It is definitely our intention that, on day 1 of this issuing, regardless of how people hear about it — through jobs and benefits offices, on the radio or on the news — they understand it.

Mr Campbell: OK.

Ms Dolan: We have also talked in depth to the advice sector and taken its input, so people who are likely to be delivering the sound bites have had sight of it and input to the language, and that will not only be the jobs and benefits offices. We obviously get a lot of calls through the disability and carers service and the ESA centre, and we will be working with people on the end of the phone so that they can answer the questions as well.

Mr Brady: Thanks for the presentation. I have a couple of points. I reiterate that this is premature. To be honest, I think that it will just cause more confusion. What is intended for welfare reform and how it works out after going through the Assembly may be two completely different things. On housing benefit, the leaflet talks about:

"extra short term financial support through the Discretionary Housing Payment scheme".

It does not give any details of how short term that is. In my view, that will raise people's expectations. As far as I know, the payment is only for 13 weeks. You can then reapply, but it is paid for a finite period and that will obviously cause problems. The leaflet also states that you can:

"transfer to a smaller home through a transfer or a direct exchange".

We have been told very clearly by the Housing Executive that were the change to happen in the morning, it could not cope. The fact is that it would probably be five to 10 years before it could.

The other one is universal credit. The leaflet states:

*"How do I claim Universal Credit?
It will be easy to claim Universal Credit by simply going online at a time that suits you."*

What if you are not online or are not computer literate? The leaflet goes on to state that people will have access to computer arrangements in their community. I am not sure what that means. You have centralised offices, and, in the Newry office, the problems with the social fund have been going on since 1988. People have difficulty accessing that office by telephone. It is things like that.

Ms Gallagher: That is a fair point, Mr Brady. Part of the work that I am doing in my directorate is looking at what we can do to support people to move online. That will obviously mean looking at the community resource, the community and voluntary sector and advice organisations, and developing a plan to promote digitalisation as it is known, which basically means getting people to access services online. There is a whole plan of work to support that activity. However, we fully acknowledge the difficulties there.

Mr Brady: In fairness, the success or otherwise of universal credit will be predicated on the success or otherwise of the IT system. The problems with pension credit took three and a half years to fix, and that was a relatively simple and straightforward benefit to get right. I am not being too pessimistic, but that is the reality. That is fact.

The Chairperson: No other members have indicated that they want to speak. There are a couple of points that I want to raise. I noticed an article in 'Inside Housing' about what was said by a guy called Mike Shakespeare, who is part of the whole process. If I remember correctly, he is with DWP. He has warned about the whole online digital bit and said that there is a major problem with it. Will the communications strategy deal with things like that?

Members have raised concerns, and it is our job to look at these things and to drill down into the issues. It might be a good idea, but we have to look at how it will work its way through. You have heard some members' varying views on that. There will be issues with people being online, and I assume that you will have separate strategies for those issues.

Ms Gallagher: We will continue to work very closely with the projects in Northern Ireland and to understand the DWP position. Where appropriate, we will develop communications on that.

The Chairperson: Once you launch the communications strategy, you will be on the offensive. You said that there will be a point at which you will unleash that, and you would expect that there will be a significant number of people on the phones immediately. You also said that you are engaging with stakeholders to make sure that the capacity is there, particularly in the advice sector. Is that capacity in the Department as well?

Ms Gallagher: That is part of the work that we are doing on understanding. As I said at the start, in everything that we do at the minute, we are trying to understand the impact. In relation to this leaflet, for example, one of our key considerations was what would happen if everybody lifted the phone. As Mr Campbell said, the first thing that people think is, "What does this mean for me?" In all our communications, we are very mindful of our ability to cope with that. That is why, throughout the leaflet, we are saying, "This will not impact you." Notwithstanding that, we are going out with the broader communication around that, and we have our front line officers lined up in that way.

With every communication, we are always thinking about what people will want to know and whether we are geared up to respond to that. We do not want people left in a vulnerable position when they want or need to talk to someone and do not know who to talk to.

The Chairperson: This is my final point. Has consideration been given to doing any of this communication in other languages?

Ms Gallagher: We have started to think about different groups, for example, blind people. At this point, we have not given consideration to other languages. However, I would point out that we are at a very early stage in the set up of the team, and we are still exploring what we need to do and when we need to do it. Obviously, that may be a consideration.

The Chairperson: I would like that to be a consideration.

Are members happy enough? You talked about the stakeholders. Do I presume correctly that this Committee is a stakeholder?

Ms Gallagher: Absolutely.

The Chairperson: Very good.

Are members happy enough with what we have heard so far?

Mr Brady: Not really, but anyway.

The Chairperson: Thank you very much.

Ms Gallagher: Chair, time permitting, would you like Paul to cover the detail of the booklets on universal credit? *[Interruption.]*

The Chairperson: My apologies, Paul. We were getting on so well there.

Mr Paul McKillen (Northern Ireland Statistics and Research Agency): The reports on universal credit and the benefit cap have gone out, and annex C on page 19 has some key figures that have gone out on universal credit so far. We talked earlier about benefit entitlement, and the first figure is that 33,000 households will potentially take up more benefit or will newly take up benefit as a result of universal credit. That is about the integrated nature of universal credit whereby you make a single application and are automatically passported around all the other benefits that you are entitled to. That should mean that more people take up benefit.

The second point is that we estimate that, as a result of universal credit, £35 million per annum will come into the benefit system. So, universal credit is not saving money or taking money out of the system, but there is higher entitlement, and so it should bring money into the benefit system. Using the policy simulation model, we have done an estimate on a current benefit caseload, and we say that 102,000 households will potentially gain under universal credit at an average of £35 a week. Conversely, 86,000 households will potentially lose under universal credit at an average of £34 a week. With the 86,000 households that will potentially have a lower entitlement, the model does not take into account transitional protection. One of the messages with the move to UC is that there will be no cash losers in making the transition from current benefits to UC. Even though we are modelling that they will lose out, on average, £34 a week, they should get the transitional protection payment to make up that money lost. There should be no cash losers under that system. One of the intents of the policy is to redirect support to the lowest-income households. Over half of those 86,000 households are people on tax credits who are in full-time employment and are not typical benefit claimants. Under the new taper system, their tax credits will either be reduced or removed completely, and that support is moving from those higher-income households down to the lower-income end of the spectrum. One of the intents of the policy is to target support at lower-income households.

Another key group that we are dealing with is workless households. Of the 287,000 households that will potentially be impacted by UC, 158,000 are workless households. The majority of those — 98,000 — will not see any change in moving to UC, and the reason for that is that the out-of-work benefits that you move on to under UC are identical to those that you are on currently. So, the majority of people in workless households will not see any change. We have mentioned that there are 28,000 workless households, where 20% of them will receive a lower entitlement. A lot of that is down to changes in disability premiums. A severe disability premium is available at the minute that is worth about £50 a week. That does not exist under UC, and that will lead to a substantial loss for that household and that claimant. However, again, transitional protection is in place. So, if those people do not undergo a change of circumstances, they will get a cash amount to make up the loss. In the interim, they will not see that loss.

Those are the key points about UC. The booklet goes into much more detail, but those are the high-level figures on the impact on households.

Mr Copeland: Thanks, Paul. You said that £35 million per annum in additional expenditure will come into the Northern Ireland economy. How did you arrive at that? Is this not funding need? If the need changes, albeit disproportionately through an epidemic, or if employment suddenly soars through the roof, how can we say that it will be £35 million? Is that based on those who are claiming currently?

Mr McKillen: Exactly. It is based entirely on the current system. We take a household now and apply UC to it. So, there is no change in circumstances. Nobody is moving into employment or changing his or her hours or circumstances. Everything stays identical. There is no thinking that the economy has changed or anything; it is entirely static, and we are modelling the circumstances now on UC.

Mr Copeland: Does that also include any growth in the budget for social security and Supporting People that would have taken place anyway, as opposed to the introduction of UC? What proportion of it would have happened anyway?

Mr McKillen: This is all extra. We are modelling forward to 2014-15, so we are looking at the benefit system at that point and comparing it with what would happen under UC. All the uprating and things are applied to the existing numbers, so this is £35 million net extra.

Mr Copeland: Although it is true in the case of some workless homes — an unfortunate but probably accurate phrase — that there will not be a change in the support that is available to the majority of constituents, there could be a change to the people who are entitled.

Mr McKillen: Over time, yes, that could become the case. There could be more workless households, or they could be reduced. That depends, I suppose, on the economy.

The Chairperson: There will be more detail in the planned leaflet. The general point is that the information is factual, as opposed to selling the process or elaborating. It is objective comment.

Mr McKillen: Absolutely. I am representing the Northern Ireland Statistics and Research Agency (NISRA), so this is the figures as they are. There is no spin on these of supporting the policy or anything like that.

Mr Copeland: NISRA enjoys my confidence.

Mr McKillen: Good. The final topic is the benefit cap. Another publication has gone out in the past couple of weeks on that. Our key point is our estimate that 620 households in Northern Ireland are affected by the benefit cap. As you know, the background to that is that if you receive in excess of £500 a week, your benefit moneys will be capped. The real target of that in GB is high London rents. Obviously, we do not have that here, and we found in the analysis here that the main driver for you to be in excess of the cap is your family size. Those 620 households have, on average, five kids, so there are over 3,000 children in those 620 households. A family of five kids receives £50 a week in child tax credit for each kid and £10 a week for the family element, so there is immediately £260 a week. Very quickly, you are up to the £500 limit. We found that the families that are in excess of the cap are in excess by an average of £53 a week, so, if they are capped, that is what they will be losing every week. We say in our paper that claimants will be entitled to apply for the discretionary housing payment scheme. The plan is that that reduction will be made in your housing benefit payment. The discretionary housing payment scheme will be there to support you if you know that you cannot make up your rent.

Mr F McCann: That is not exactly accurate, David, because it only lasts for six months in two periods of 13 weeks. It is a short-term scheme, and it says that in your paper. I have pulled people up on this before. People think that the discretionary housing payment is being used as a save-all, but it actually does not do that. After six months, you go back to the cap.

Mr McKillen: I am not an expert on the discretionary housing payment. I know that the budget has been beefed up on that to support that, but you are right.

Mr F McCann: The budget has already been beefed up to deal with the shared room allowance, so when you have additional people coming on under universal credit, there is not a budget big enough to deal with it.

Mr McKillen: The overall cost saving of the benefit cap here is £1.7 million a year. Of overall benefit spend, it is not a large number.

Mr F McCann: When we are explaining this to people, we need to be fairly accurate, because, again, the discretionary payment only goes up for the next three years and then starts to go back down again.

The Chairperson: Again, the key point is that information given out needs to be accurate, and it should be qualified if that is needed.

Mr Campbell: You said that a relatively small number of people will be affected by the benefit cap and that the average amount that would be lost is £52 a week.

Mr McKillen: It is £53.

Mr Campbell: Does that mean that it is possible to establish what the optimum loss will be?

Mr McKillen: The maximum loss can be higher than that. We can see that, in cases of large families, it is possible that a very small number of people will lose £200 a week. Sixty-one per cent will lose between £0 and £50 a week, and another quarter will lose another £25 a week, up to £75.

Mr Campbell: You say that a very small number would lose £200 a week.

Mr McKillen: It is possible, yes.

Mr Campbell: What is the cap?

Mr McKillen: £500 a week.

Mr Campbell: £500 exactly?

Mr McKillen: Yes.

Mr Campbell: Does that mean that a very small number of people currently get £700 a week?

Mr McKillen: A very small number, yes. You have to bear in mind that there are exclusions here as well, so there are exemptions. If any member of your household is on disability living allowance, you get exempted from the benefit cap. In the analysis, we found that there were over 13,000 households that would have been over the £500-a-week threshold. However, you then apply all the exemptions. DLA is the big one, and it takes 10,000 or 11,000 households out of the mix on its own. Other things such as the ESA support group and working tax credits reduce the number. The figure of over 13,000 comes down to 620 in the end.

Mr Campbell: It is a very small number. I am sure that people will be concerned that there are a tiny number of people whose current benefit entitlement is about £700 a week net.

Mr McKillen: The driver here is family size. An increased number of children drives that total.

The Chairperson: No other members have indicated that they wish to speak. Sharon, Ciara and Paul, thank you for helping the Committee with its deliberations.

Ms Gallagher: Thank you very much.