



Northern Ireland  
Assembly

Ad Hoc Committee on Conformity with  
Equality Requirements, Welfare Reform Bill

# OFFICIAL REPORT (Hansard)

Welfare Reform Bill Overview: DSD Briefing

27 November 2012

# NORTHERN IRELAND ASSEMBLY

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### Welfare Reform Bill Overview: DSD Briefing

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

Mr Trevor Lunn (Chairperson)  
Mr Robin Swann (Deputy Chairperson)  
Ms Paula Bradley  
Mr Mickey Brady  
Mr Colum Eastwood  
Mr Tom Elliott  
Ms Bronwyn McGahan  
Lord Maurice Morrow of Clogher Valley  
Mr Alastair Ross  
Ms Caitríona Ruane  
Mr Peter Weir

#### **Witnesses:**

Ms Martina Campbell	Department for Social Development
Mr Michael Pollock	Department for Social Development

**The Chairperson:** I invite the officials to join us. I am very pleased to welcome Martina Campbell and Michael Pollock from the social security policy and legislation division in the Department for Social Development (DSD). We are not putting a time limit on you. Would you like to carry on with your briefing? Thank you very much.

**Mr Michael Pollock (Department for Social Development):** Thank you, Chair.

**Ms Martina Campbell (Department for Social Development):** Thanks, Chair. We very much welcome the opportunity to brief the Committee on the Welfare Reform Bill. With the Committee's agreement, we intend to provide an overview of the high-level principles of the Bill. We do not intend to cover areas of detail, and we will welcome a further opportunity to brief the Committee once it has had an opportunity to consider the evidence and the equality impact assessment (EQIA). Then we would welcome the opportunity to come back to follow up any concerns that members have.

As you know, we have already provided an extensive briefing to the Committee for Social Development, as some of the members of this Committee will be aware. It should be noted that this is an enabling Bill and that much of the detail will be in regulations or guidance. We advise that the Minister has confirmed to his Executive colleagues and to the Assembly that the Bill complies with equality and human rights considerations and is within the competence of this legislative Assembly. That view has also been confirmed by the Attorney General and the Speaker.

We have completed, as the Chair has said, an equality impact assessment, which was published in April. We have committed to updating the document, which we consider to be a living document, and we are awaiting the finalisation of some additional data that our statistical colleagues within the Department obtained from Her Majesty's Revenue and Customs (HMRC). Once the data has been validated, we will update the equality impact assessment.

We recognise that in the published equality impact assessment, there are data limitations that have been highlighted, quite rightly, by stakeholders. We are considering options to address those. All the information gleaned will be used to assess the impact of measures on the ground.

We appreciate that stakeholders may have particular views about impacts but we, as government, must address any differential impact identified. There are a number of issues that tie into that, including the dreaded word "parity". The arguments around parity have been well-rehearsed both by us at Committee and in the Assembly by the Minister and others.

The overarching consensus is that parity works for Northern Ireland. It is to our financial advantage, and it is also about equality in entitlement to benefits for claimants here and claimants in Great Britain, who pay the same rates of tax and national insurance as we do and, therefore, should expect to receive the same rates of benefit on the same conditions.

With regard to mitigation, there may be areas where some mitigation may be considered necessary, and that is why the Minister has established his Executive subcommittee on welfare reform. It is also why the Executive committed themselves, within the Programme for Government, to the establishment of an independent advisory group on alleviating hardship, which included any implications arising from this Bill.

There are other aspects in the Programme for Government. I do not need to tell you what those are. I will just mention, for example, the social protection fund, the commitment to develop a childcare strategy and various programmes that the Department for Employment and Learning (DEL) and the Department of Enterprise, Trade and Investment (DETI) are working on that will contribute to and help to alleviate some of the impacts arising from the Bill. We think it is right and proper that mitigation should be considered within the arena of the wider Executive. We do not consider that it is for consideration within this Bill.

With that in mind, we will provide you with a high-level overview of the Bill and then take any questions.

**The Chairperson:** Thank you.

**Mr Pollock:** In addition to what Martina has said, welfare reform has been on the agenda, I suppose, since before the coalition Government came to power in Westminster. I do not want to add to your reading list, but there are a few publications — like this one — on the Department for Work and Pensions (DWP) website that outline the reform agenda and what it is about. That is, reforming a system that has become outdated, is becoming increasingly expensive with regard to sustainability in the future, and has moved markedly away from how the welfare state was originally conceived. This Bill is trying to address its complexity, among other things, by introducing universal credit, which will be a new benefit for claimants both in and out of work. It is also about fairness, and I think that is where Martina mentioned the Programme for Government. In respect of the taxpayers — the people who actually pay into the welfare state — there is consensus that people should not have a natural right to a life on benefits. There should be some differential between what people can earn going out to do a day's work and what they would be entitled to on benefits. Part of the rationale behind some of the reforms included in this Bill that will be later implemented through tapers and disregards is to incentivise people to get back to work. The overall argument is that it is good for the economy and it is good for the individual in the way forward as far as Great Britain and Northern Ireland is concerned.

You will hear arguments that there are no jobs around, but there is still an incentive or an impetus on the Government to try to encourage people to get back to work, to get closer to the labour market. Part of the other programmes that are administered through Departments such as DEL and DETI are to try to create jobs and to try to encourage people to take up opportunities through training and employment courses. That is where joined-up government comes in, and it is where the reform package should merge with other programmes in government.

**Ms M Campbell:** The Bill has more than 130 clauses. The first 44 are about the introduction of universal credit, which is my particular area. As Michael has already said, the overall policy intent of universal credit is to address poverty through tackling worklessness and benefit dependency. The underlying principle is that work should always pay and people should be better off in work. Universal credit will replace a complex system of working-age benefits and credits with a single set of rules. It is a new single means-tested support for working-age people who are in and out of work, so it is important to remember that the Social Security Agency will be dealing with a new set of customers who are in work.

Universal credit will ensure that work pays. Financial support will be reduced at a consistent and predictable rate, and people will generally keep a higher proportion of their earnings. Universal credit will have a claimant commitment, which will be personalised according to people's capability and circumstances, and it will be a single monthly payment to each household. You will all be aware of the Minister's statement on 22 October when he announced that he had secured a number of flexibilities, including split payments, which is the facility to pay the payment to the other partner, the facility to pay universal credit twice monthly, the facility to pay the rent direct to the landlord, and the fourth one, which I have forgotten; sorry.

The upper age limit for universal credit will be the age at which the claimant becomes eligible for state pension. The first new claims for universal credit will start in April 2014. We estimate that all existing claims will be migrated to the new system by 2017. Claims will be made on the basis of households rather than individuals. Both members of a couple will be required to claim universal credit. As I have said, it will be paid on a monthly basis, as a monthly payment cycle fits within the usual cycle of earnings for people in work. For those out of work, universal credit will mimic a salary for paid employment. That should help to smooth the transition into work.

To ensure that households are able to manage the transition to monthly payments, a package of support, to include appropriate budgeting advice, is being developed. Entitlement will be calculated based on information already held or provided by the claimant, including information about any income they have other than earnings, such as occupational pensions, for example.

Those who are not working and who satisfy all the conditions of entitlement will be paid a set amount of universal credit. Claimants who have earnings from employment will have those earnings automatically taken into account. That will involve using the systems that the tax office uses, so it will be real-time information. The amount of universal credit will be adjusted as the earnings are fed into the tax system. A single taper rate and a simple system of disregards will allow people in work to see clearly how much support they can get while making sure that people considering a job will understand the advantages of working. Real-time information means that universal credit payments can be gradually reduced as earnings increase or, indeed, universal credit can go up as earnings go down. The taper rate is expected to be set at 65%. That would mean that 35p in every pound earned would be kept, meaning that claimants would be £35 better off for every £100 they earn.

The standard allowance is a core cash component intended to help with ordinary living expenses. Additional amounts will be added to that basic amount to include childcare costs, children, disability and housing. There will be additional amounts payable for disabled children, and universal credit will replace tax credits as well as a number of other social security benefits. Support with the cost of childcare will be available to lone parents and couples. It will be available regardless of the number of hours they work, so that is an improvement to the current system. There will be a limit of 70% of the amount payable for childcare costs. That is similar to the current system under child tax credits. Support for housing costs will cover similar types of payment liabilities as are covered under the current housing benefit schemes. Tenants in the social rented sector who underoccupy their properties will have their housing benefit payments limited. That is similar to the current position for claimants in the private rented sector.

The other thing is that people will remain registered on the system for two years after their claim has ended, which should ensure that if they come on stream again within those two years, a lot of the information will just have to be updated rather than having to go through the full online process again.

In respect of the benefit cap, there will be a cap on the total amount of benefit that working-age claimants can receive so that households on out-of-work benefits no longer receive more than those who earn the average weekly wage after tax and national insurance. The total level of entitlement to welfare benefits is to be limited to £500 per week. That equates to £26,000 net or £35,000 gross. There will be a number of exceptions to that, and I can give you details of that if you wish. It is important to note that people in receipt of a number of benefits, including disability living allowance

and the new personal independence payment, will be excluded from the cap. Our initial analysis of current households is that around 620 households will be affected by the cap. Where universal credit shows that claimants in receipt of current benefits have a reduced entitlement, they will receive transitional protection for as long as their circumstances remain the same.

Universal credit will introduce conditionality. It is a type of contract that means a claimant will have to do something in return for their benefits. There are four conditionality groups. Full conditionality means that claimants will be required to be available to immediately take up or attend an interview for work or better-paid work. Advisers in jobs and benefits offices will allow claimants to place limitations on the work they must search for in certain circumstances — for example, those with a good work history or those with a health condition. There will be exemptions for immediate availability — for example, those who need to make childcare arrangements.

The second group involves work preparation. Claimants in that group who are disabled, or who have a health condition that means they have limited capability for work at the time will be expected to take reasonable steps to prepare for work.

The next group is keeping in touch with the labour market. Claimants in that group are likely to be lone parents or lead carers. They will be expected to attend periodic interviews to discuss their plans for returning to the labour market, but that is it.

The final group has no conditionality. Claimants in that group are likely to be disabled, have a serious health condition that prevents them from working and preparing for work, be a lone parent or a lead carer in a couple with a child under one, have intensive and regular caring responsibilities or have earnings above the national minimum wage.

In conditionality, with rights come responsibilities. I mentioned the fact that claimants will have to sign a claimant commitment. In that commitment, we will clearly set out what we expect claimants to do. We will also clearly set out the consequences of failing to meet those requirements. The Bill introduces sanctions, and strengthened conditionality will be supported by a new system of financial sanctions. The aim of the sanctions is to provide greater incentives for people to meet their responsibilities, as I said. Under the existing jobseeker's allowance sanctions regime, the consequences of failing to comply with requirements are not always clear. Prior to the introduction of universal credit, we intend to revise the sanctions regime to broadly align it with universal credit in order to make the transition to universal credit a lot smoother.

The sanctions will have four levels: high, medium, low and lowest. No one will be sanctioned if there is no work available. Sanctions will apply only if a job is available and the claimant has been offered it but has not taken it. The level of sanction will depend on the conditionality group that a claimant falls into.

I will now hand over to Michael, who will talk a bit about the employment and support allowance.

**The Chairperson:** Before you start, Michael, I want to remind members that, although nobody has indicated that they want to ask a question, that is what we are here for. Should we stop at this point while what you said is fresh in our minds? Does anyone want to ask a question?

**Mr Brady:** I suppose, for Martina and Michael, it is déjà vu all over again.

**Ms M Campbell:** Just a bit.

**Mr Brady:** Just a couple of things about the EQIA. We obviously had evidence from the Equality Commission and the Human Rights Commission. The Equality Commission had concerns about the Department's draft EQIA, and some of those concerns remained when the final EQIA was published in May. Those concerns were raised with the Department.

On 4 May, when publishing the final EQIA, the Minister indicated that he intended that the Department would continue to look at the possible equality impacts as the Bill moves forward. You have said that it is a living document, and also that work is ongoing in the Department to analyse the impact of policies across the various section 75 groups. Presumably, we will be able to get some detail on that. As this is an enabling Bill, the regulations will flow from it, as indeed will the guidance. That is why it is so important to get the Bill itself right.

In its evidence, the Human Rights Commission said:

*"the heavy reliance on secondary legislation complicates the task of providing a human rights analysis of the Bill"*

— because regulations are not available yet. It went on to say:

*"the regulations should be subject to affirmative resolution or confirmatory procedure to ensure scrutiny against human rights standards ... the commission still stands by its advice ... on that matter: the secondary legislation should be subject to affirmative procedure."*

Presumably, the Assembly would deal with that. Is there any update on that? I know that you have given us some of the details, for instance, about claimant commitment and that, but what people maybe know or do not know is that if one member of a couple does not sign that commitment — for whatever reason; possibly because of mental health or whatever — neither of those people will get benefit. We have talked about a cooling-off period of approximately four weeks. So, somebody could be without benefit for four weeks. Those are all issues that could well impact on equality and human rights.

Section 75 has primacy. We have asked the Equality Commission in particular whether it is the Welfare Reform Bill or section 75 that has primacy. Obviously, those are questions that possibly the Committee will be dealing with.

The devil is in the detail of the enabling legislation. You gave a very general summary of that, but a lot of the detail needs to be addressed. This Committee, presumably, will be one forum that will have to drill down into that detail, particularly in relation to equality and human rights. That is why we are here. I just wanted to make that point.

**Ms M Campbell:** I will try to remember all your points, Mickey.

When bringing through primary legislation, it would not be normal practice to have the regulations available. However, we have indicated that we are happy to discuss the version of the DWP regulations that went to the Social Security Advisory Committee. We believe that DWP will be laying its regulations on 10 December, at which stage we will obviously be a lot freer to discuss the content of those. The Northern Ireland drafts are not available yet, but we aim to bring those to the Social Development Committee, hopefully sometime in February, I think. That will be before Royal Assent, which, again, is a very unusual step. However, we are mindful of the Committee's concerns and want to try to facilitate as much scrutiny as we can. I take the point that a lot of this relies on an element of trust as to what is going to be in the regulations and that the regulations will be subject to equality screening, as all regulations are.

As for data limitations, I think that what the Equality Commission was referring to is the fact that the Department does not routinely collect information on race or sexual orientation.

**Mr Pollock:** There are a few of the section 75 groups, but, primarily, that is because affiliation to any of those groups is not a condition of the receipt of benefit. Therefore, there is no requirement or business need to collect data on that. As you know, there is a cost to collecting such data.

As Martina said, what we have done is to develop a policy simulation model, based on a model that has been used by DWP, to try to determine the impacts of welfare reform on the ground. This is being developed specifically for Northern Ireland. We have high-level information on the number of benefit recipients, but we have yet to work through all the different models and simulations that would say that this would have a certain impact on the ground.

As Martina said, a lot of that relates to trust, for instance, in the sanctions regime. We have explained to the Committee that it is not the idea that the sanctions regime will be punitive. The idea behind the claimant commitment and the sanctions regime going hand in hand is that they work to ensure that individuals in receipt of benefit are aware of their responsibilities and are minded to deliver on those. It is not the case that people will be punished or sanctioned for no good reason. There are a lot of get-out-of-jail cards with regard to good cause or good reason, as it is going to be called, on why a particular sanction would not be applied. All those safeguards and safety nets will be carried forward to this Bill for the introduction of universal credit. There will not be any diminution of the safety nets in that respect. Indeed, there will be the introduction of hardship payments for employment and support

allowance. That is an additional safety net. There are a lot of things there, Mickey, to give you some assurance, and I think —

**Mr Brady:** I will make a couple of points.

**The Chairperson:** Mickey, before you do —

**Mr Brady:** Sorry, go ahead and finish speaking.

**Mr Pollock:** I want to say that the commission has written to the Department on a couple of occasions since the production of the equality impact assessment. It has recognised the data deficits, as Martina said, but also endorsed the approach that the Department has taken in going forward and reviewing the living document, which is the EQIA, as the regulations roll out.

**The Chairperson:** Mickey, I do not wish to stop you, but I am conscious that we do not want to get into too much.

**Mr Brady:** I have two points to finish.

**The Chairperson:** I am not going to stop you, but I want to remind everybody that we are in overview mode today, and we do not want to get into too much detail.

**Mr Weir:** I have a procedural point. Mention has been made of additional correspondence. Was it from the Equality Commission or the Human Rights Commission?

**Mr Pollock:** The Equality Commission wrote to the Department within the past couple of months.

**Mr Weir:** I am wondering whether supplementary information has been supplied in correspondence between the two. It may be useful if that could be shared with us.

**Mr Brady:** I do not think that anybody disagrees with the underlying principle that it is better to work than to be on benefit. It is how you arrive at that and the logistics of getting there. Martina talked about the element of trust, but that is predicated on the Bill and its outworkings. Section 75 is unique to the North, and I would have thought that the gathering or collection of data in relation to the affected groups — or groups that come in under section 75 specifically — is very important. Section 75 does not apply in Britain, so it is important that we have the data. Otherwise, you cannot make an informed judgement on the equality impact, or otherwise, of the Welfare Reform Bill. I think that is important. As I said before, there is a lot of devil in the detail, and, obviously, we have had a very general summary. I will leave it at that.

**Ms McGahan:** Has the Human Rights Commission requested a meeting with you on the impact analysis?

**Ms M Campbell:** No, not to my knowledge.

**Ms McGahan:** Recently, we got a figure on the uptake in the North of Ireland of the childcare component of the tax credits. It is 2%, and less. That money is coming from the Treasury, so it is quite poor. Furthermore, I live in a rural area, and we would have to travel 16 or 17 miles to use full-time childcare facilities. That is a very real issue for people who come from a rural area. Cognisance needs to be taken of that.

**Ms M Campbell:** Absolutely, and that is why the claimant commitment will take into account the availability of accessible, affordable childcare, and why officials in the Social Security Agency are working closely with the Office of the First Minister and deputy First Minister in trying to get the childcare strategy off the ground.

**Mr Elliott:** Thank you very much for the presentation. Apologies if I ask things that should be blatantly obvious, but I am not totally across all this. You said that the benefit cap means that no household can receive more in benefits than the average working household after tax. What is that figure?

**Ms M Campbell:** The cap figure is £500 for a couple, which equals £26,000 net or £35,000 gross. It is less for a single person. I think that it is £350.

**Mr Pollock:** It is important to note that the benefit cap is pitched on the average or median earnings in GB, which is considerably higher than in Northern Ireland. So, that is more beneficial for social security claimants here in Northern Ireland than it would be if the benefit cap were on a regional basis. Obviously, the median wage would —

**Mr Elliott:** Is a break with parity an area we should look at?

**Mr Pollock:** That is probably the least of your worries.

**Mr Elliott:** My second question is around parity. On page 13, the equality impact assessment states:

*"many have argued that Northern Ireland is different from Great Britain in relation to: recovery from recession; emergence from a period of conflict; degree of mental health issues; and overall structure".*

You may not be able to give me all the details now, and they may be contained in the document — if they are, that is fine — but I assume that groups and organisations put forward examples of issues and how they could be changed or amended to suit Northern Ireland. Have you got those?

**Mr Pollock:** There has not been much by way of specifics. There has been quite a discussion around housing provision, underoccupancy, mental health issues and lack of affordable childcare. A lot of those issues are actively under consideration by way of other Executive programmes or initiatives, such as the childcare strategy, to tackle them. Essentially, however, they are outside the social security arena. Not too many specifics have come forward. Mickey, you would be aware of the ones that the Committee for Social Development is putting forward in its own right.

**Mr Elliott:** OK. I am assuming that they would all be areas contained within the Bill.

**Mr Pollock:** Yes.

**Mr Elliott:** Would any of them not be relevant to the primary legislation but more relevant to the regulations that would come later?

**Mr Pollock:** Yes, that is what the Department would say in respect of the information that is available at the minute. Many of the stakeholders will have their own particular issues, but as a Department, we have to rely on statistical data that can be proofed in terms of integrity and stood over in that respect. That is why we hope to get as much information as possible out of the policy simulation model developed for Northern Ireland. That is something that we would actively consider for future equality statements or regulations and for whatever data are available at that point in time.

**Mr Elliott:** I want to briefly go back to the benefit cap. You said, Michael, that figures for GB were different from Northern Ireland. You gave me the figures that are being used. What are the figures for Northern Ireland?

**Mr Pollock:** That is the UK median wage that the benefit cap is pitched on.

**Mr Elliott:** What is the Northern Ireland one?

**Ms M Campbell:** I think that £450 is the average. I cannot swear to that, but I think that it is £450.

**Mr Weir:** Are we saying that if we were going it alone — for want of a better expression — and applying exactly the same principles, the benefit cap would be lower if it was pitched at the level of the average wage in Northern Ireland?

**Ms M Campbell:** Yes.

**Mr Weir:** The benefit cap for this is the UK average, which is proposed to apply here.



**Ms M Campbell:** Yes, and it is advantaging claimants here.

**Mr Elliott:** I appreciate and accept that. I am just wondering whether it would be a financial gain to the Northern Ireland Executive if you were to break parity with that?

**Ms M Campbell:** I do not think that it would go to the Northern Ireland Executive. I think that it would return to Treasury's coffers.

**Mr Elliott:** Yes. The only point that I am making is that it may offset some of the other issues. It is just a question.

**Mr Brady:** I have a quick comment to make on Tom's point about the cap. The average wage may be higher in Britain, but families are larger here. That is the other side. It balances. It is not just as simple as saying that if you broke with parity, people here would necessarily get less. Historically, families here are bigger. According to Iain Duncan Smith, you should have only the number of children that you can afford.

**Mr Elliott:** That is all for now, Chair. Thank you.

**The Chairperson:** Thanks for that. Mickey has been here before, I think.

**Ms M Campbell:** Yes. *[Laughter.]*

**Mr Elliott:** I was asking the DSD officials, not Mickey.

**Ms Ruane:** With regard to your data collection, could you confirm which section 75 categories you collect data on and which you do not? You mentioned it earlier, but I just want it to be confirmed again.

**Ms M Campbell:** We do not collect data on sexual orientation, race, ethnicity — I can never say that word — religion or political belief.

**Ms Ruane:** So, you do not collect data on four of the nine categories.

**Mr Pollock:** We do not insofar as it is not a requirement for a social security benefit.

**Ms Ruane:** Right.

**Mr Pollock:** No one is going to ask you what your race or sexual orientation is if you are claiming disability living allowance or whatever.

**Ms Ruane:** Section 75 is a very important duty under equality. It is part of the Good Friday Agreement. It is not designed to put anybody under pressure. It is designed to analyse equality. I find it very worrying that there is no analysis of those categories. That is my first point. We probably need to return to that. If you are not even collecting the data and analysis, you are obviously working —

**Mr Pollock:** There is an underlying logic, though. If it is not a requirement of entitlement, why would it be affected or adversely affected?

**Ms Ruane:** Because if you want to do a proper EQIA, you need to work on data. I have been reading through this briefly as you have been speaking. You focus a little on gender and marital status. However, you leave out huge areas. First of all, I urge you to go back and have a look at that. It is worrying to me. I thought that I heard you say — I hope that I did not — that it is costly to do that. I thought that we had moved —

**Ms M Campbell:** I do not think that we said that.

**Ms Ruane:** With respect to you, Michael actually said it.

**Mr Pollock:** I did say that there is a cost attached to that.

**Ms Ruane:** Sorry; perhaps I could just finish the point that I was making, Michael. It is worrying for me to hear the excuse of cost. I thought that we had moved beyond that in our debates on equality. It is a statutory duty on Departments to collect proper data and to work from it. Otherwise, Departments are working in the dark. That is the first point that I would make. Obviously, we will have to return to that issue.

I know that we are dealing only with broad strokes today, so that is all that I am doing. There will be loads of nitty-gritty that we will want to get into at a later stage. However, the second area is childcare. A report came out yesterday or the previous day. I notice that in one of the pages here you say that if there is no affordable childcare, there will be mitigating circumstances. There is not enough affordable childcare. To be honest, if you look at the percentage of money that is being used from salaries — not even salaries, but benefits — you will see that it is huge. You need to look at that to update your EQIA. I welcome the fact that it is a living document. You need to look at that report because this part of Ireland has less childcare than England, Scotland or Wales. That is obviously a serious worry because it is one of the biggest impediments to getting out of the poverty trap. With respect, it is not good enough to say that some other Department is dealing with that. It is your job as DSD to ensure that the provisions are in place, and if they are not, to actually say that they are not.

**Mr Pollock:** We are not trying to hand that off to anyone. The fact that lack of childcare is a recognised issue and that it is accepted as good reason is already built into the legislation. As we have pointed out on a number of occasions at the Committee for Social Development, no one has actually been sanctioned for turning down a job because of lack of adequate or affordable childcare. So, that is proof that we are taking these issues seriously and that we are trying to address them through the legislative vehicle and through the guidance for decision-makers on how this operates in practice.

**Ms M Campbell:** On the issue of collection of the data, I said up front that we accepted the criticism and that we recognise the data limitations. I refer you to page 21 of the EQIA, which covers consideration of data and research. We are working with the Department for Work and Pensions and Revenue and Customs to develop the policy simulation model. Also, questions have been added to the family resources survey (FRS), the data from which is the basis on which the policy simulation model is used. That does not sound right, but you know what I mean.

**Mr Pollock:** The base population is the database, and that will be merged with other data scans and the like to produce modules or simulations of how the different benefit changes would impact on particular clients.

**Ms M Campbell:** Questions on political opinion and sexual identity were included in the family resources survey for 2011-12. We are working on the survey results from 2008-09, so we will be able to get that information at a future date when that module from FRS is analysed. We take your point.

**Ms Ruane:** I appreciate that you take the point. What we need to do now is see what is done to ensure that data is collected. Although it is useful that it is collected with authorities outside the North, I ask that you also commit to working with the Equality Commission because it has a specific remit in this. As Mickey rightly stated, section 75 does not operate in England. I would welcome a response on that.

Also, Michael, you mentioned that no one in the past has been "sanctioned" — an interesting word. The issue is not the discretionary nature of legislation; it is its potential use in the present and the future. Although you may have confidence that nobody will be sanctioned in the future, we need watertight legislation to ensure that people who are in vulnerable categories, such as those who are disabled, are protected. We have seen a huge adverse impact on people with regard to gender and on persons with dependants. As Mickey rightly said, we have bigger families here. So, we do not have the same confidence that there will not be problems in the future, particularly with the current Government that we have in England.

**Mr Pollock:** I appreciate that point. My experience of decision-makers in the Social Security Agency, and I was one, is that they take their job very seriously and that they do not go in with a mission to

sanction x number of people or to penalise people unnecessarily. It is a responsible job, and the guidance that the Social Security Agency and everybody else puts out is reflective of that.

In the context of the Welfare Reform Bill, reporting to the Assembly on an annual basis has been mentioned. That would mean that you will get an idea of how the sanctions regime and everything else is operating in practice, if that gives you any sort of comfort.

**Ms Ruane:** I am not getting at any individual workers. I am talking about the importance of it being not just discretionary. There needs to be protections.

I would like confirmation that you will work with the Equality Commission. Martina, you did not mention race. I think that race is a very important one, but you left it out. Is there a reason for that?

**Ms M Campbell:** As far as I know, those are the only two categories that were added to the family resources survey. I cannot confirm whether those categories were added at DSD's request or at the request of another Department. I can come back to the Committee and confirm all that. We are happy to work with the Equality Commission or anyone else who wishes to provide sources of data. We asked in the original consultation for additional sources of data, but no other sources were identified that I am aware of.

**Ms Ruane:** Sorry, that was not what I was asking. It was not about sources of data; it was about consulting the Equality Commission in the same way in which you are consulting with DWP on the modelling.

**Ms M Campbell:** Yes, we are working with DWP and HMRC.

**Ms Ruane:** I am asking that you work with the Equality Commission in the same way, not just asking it for sources of data.

**Ms M Campbell:** Sorry —

**Ms Ruane:** In relation to the gaps and the collection of data.

**Ms M Campbell:** If it does not collect the data, how can it help us?

**Ms Ruane:** It is not that you are asking it to collect it. You should be working with it on how you should be collecting it.

**Ms M Campbell:** OK.

**Ms Ruane:** There are gaps.

**The Chairperson:** I think that you have had a fair run, Caitríona. You have given the officials food for thought. I am sure that they can mull over what has been said and come back to us.

**Mr Weir:** Thank you for your evidence so far. I have a couple of points. You indicated that we should be able to get the correspondence between you and the Equality Commission. Does that specifically deal with the issue of data collection or does it go wider than that? Does it deal with it at all?

**Mr Pollock:** I cannot remember the detail of it, but I think that it was in response to a question that was asked when the Committee was scrutinising various aspects of the Bill. We should be able to drum it up fairly —

**Mr Weir:** I appreciate that I am not going to get too much of the detail of that today. A lot of work has also been done by —

**Mr Pollock:** It was the general approach, and it was in response to a query about whether the Department had been speaking to the Equality Commission. It is something that we do regularly.

**Mr Weir:** OK, so there is ongoing discussion. I have more points on that, but I will not labour them. Some of us would take a slightly different view on the data collection bit and the relevance of it, but I

will leave that aside for the moment. I appreciate that no offence was intended, but we were talking about a lot of sensitivities around issues, and mention was made of race. I note that there was use of the phrase "nitty-gritty". I appreciate that it was not you who mentioned it but, historically, that is an offensive term that is related to female slaves on slave ships. There is a lesson for all of us that we need to be careful about all the language that we use.

You gave us figures on the benefits cap of £26,000 net for a couple and £35,000 gross. For a single person, I think that it calculates at £18,200 net. Do you have a gross figure for a single person?

**Ms M Campbell:** I do not. Sorry.

**Mr Weir:** Could you get that for us?

**Ms M Campbell:** Yes.

**Mr Weir:** OK.

I think that everyone would accept that there are large gaps and inadequacies in childcare. As regards the legislation, is the lack of adequate childcare or an opportunity for childcare a factor that would effectively be described as an absolute defence, be it in relation to sanctions or —

**Mr Pollock:** It is generally accepted as good reason for not taking up a job offer, an employment offer or a training opportunity.

**Mr Weir:** Is that contained in the legislation?

**Mr Pollock:** It is already in regulations.

**Mr Weir:** OK.

**Ms M Campbell:** It is current practice.

**Mr Weir:** From that point of view, is that defence or mitigation — whatever way in which it is put — something that is not in any way weakened by this legislation?

**Mr Pollock:** All the usual and current protections under the existing legislation would be carried forward. There would be no diminution of anybody's rights in that respect. As we are aware of the detail of previous regulations arising from different welfare reform Bills, and because of what is already on the statute books, we are reasonably assured that there are no equality or human rights issues attaching to this Bill.

**Mr Ross:** Michael, you are a brave man bringing logic into some of these things. That is not always met with great enthusiasm.

On the section 75 stuff, you said that data on gender and marital status were collected. I presume that that is because that information impacts directly on how totals are calculated and payments are made. Is that the reason why those two specifically are collected?

**Mr Pollock:** Precisely; yes. Those have a material impact on the level of benefit or entitlement.

**Mr Swann:** You talked about the DWP regulations being laid on 10 December and Northern Ireland ones being in front of the Committee for Social Development by February. How much work will be done on the DWP regulations to prepare them for Northern Ireland? Do you intend to do much amending or changing to take consideration of what you have heard from the Committee for Social Development and this Committee?

**Ms M Campbell:** They will be amended slightly to reflect Northern Ireland legislation, conventions, etc. I think that what you are asking is whether we anticipate there being any additional flexibilities in the regulations that are not in the DWP ones. Is that what you are asking?

**Mr Swann:** Go on ahead. If you are going to give me the answer to a question that I did not ask, I am quite prepared to take it.

**Ms M Campbell:** All of that is still under consideration. It would obviously be subject to the outcome of the Social Development Committee's considerations of their scrutiny and the outcome of the Bill as it progresses through —

**Mr Swann:** So, how do you intend that any flexibility would go through as regards equality or anything that is established through this Committee or the Committee for Social Development, the ministerial final decision and the Bill's passage through the House?

**Mr Pollock:** As we understand it, the deliberations or recommendations arising from this Committee will be debated on the Floor of the Assembly and then either carried forward or not carried forward.

**Mr Swann:** Sorry; what about the flexibilities that may be introduced in the regulations? Martina referred to those.

**Mr Pollock:** I am finding it difficult to envisage what sort of flexibilities we are talking about that are not already there in some shape or form. Extensive protections and good reason are built into the current legislation and are being carried forward from that existing legislation. None of that will be diminished in taking forward this Bill. I do not envisage anything different. I cannot think of an example where something else is needed. If there was something else needed, it would have been included in the equality impact assessment. So, to that extent, I suppose that it is —

**Mr Swann:** Sorry; maybe you are confusing — or maybe I am confusing — the Bill with the regulations. Are you saying that there will not be any difference between the regulations laid by DWP and the Northern Ireland regulations?

**Mr Pollock:** They will be different insofar as they are Northern Ireland regulations. Northern Ireland has responsibility for its own social security regulations, albeit that it is tied by logistical and parity considerations. However, as regards material differences in respect of equality or human rights, I do not see any arena or issues where we would have markedly different regulations from DWP.

**Mr Brady:** Surely the point of this Committee is to ensure that the Bill is compliant with human rights and equality legislation. So, we cannot pre-empt anything; that is all that I am saying.

**The Chairperson:** That is exactly the point of this Committee.

**Mr Brady:** That is what I thought.

**The Chairperson:** I do not really have any questions at this stage. A big change is that this is all going to be done online by computerisation. What about people who are not computer literate?

**Ms M Campbell:** There will be support available. There will be a telephony service, and there will be the facility for face-to-face contact and support in the office as there is now. There will also be terminals in the office that people can use.

**The Chairperson:** Given the history of computerisation in Departments and outside agencies, are you confident that it will be up to speed by the time that it is needed?

**Ms M Campbell:** We are assured that it will be.

**The Chairperson:** All right. Our model will have to be slightly different from the UK model in the online process as well.

**Ms M Campbell:** Yes. The flexibilities are being built into the IT. For example, the flexibilities that the Minister has already secured around split payments and direct payments and all of that will be built into the IT. The introduction of universal credit for new claims is being delayed by six months to allow that functionality to be built in.

**The Chairperson:** When D-Day comes, it will be all systems go.

**Ms M Campbell:** We hope that it will be a green light.

**Ms McGahan:** I live in an area with no broadband, so tell me how that will be dealt with. BT has made it clear that it will only provide broadband to 95% of the areas. It is just unfortunate that my area falls within the category of no broadband.

**Ms M Campbell:** We are working with the digital inclusion unit in the Department of Finance and Personnel, whose responsibility it is to increase the availability of broadband across Northern Ireland. For people who do not have access to a computer, are not computer literate or do not have broadband, there will be a telephone service, there will be a facility for the claimant to come into the office at a time that suits them, and there will be limited facility for home visits, which is the position at the moment.

**Mr Pollock:** I sympathise. I have no broadband either.

**The Chairperson:** Neither do I.

**Ms M Campbell:** Neither do I, but I live in the city centre, so there is no excuse for me, but that is beside the point. So, there will be provisions made.

**Mr Pollock:** The Social Security Agency is working day and night with its stakeholders to try to ensure that claimants are aware of the changes. It has a whole stakeholder engagement project that will keep people abreast of what is happening and how to deal with issues that might arise for whatever reason.

**The Chairperson:** As you know, we will be speaking to the other major stakeholders, and you certainly have not heard the last of us.

**Ms M Campbell:** I said at the outset that we wanted to give you a quick run through the high-level principles. When you have had time to hear stakeholders' views, we will be happy to come back and try to provide clarification.

**The Chairperson:** Thank you very much for coming, Martina and Michael. It has been very helpful.