



Northern Ireland
Assembly

**COMMITTEE
FOR THE OFFICE OF THE
FIRST MINISTER AND DEPUTY
FIRST MINISTER**

**OFFICIAL REPORT
(Hansard)**

Lifetime Opportunities Baseline Report

3 November 2010

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Tom Elliott (Chairperson)
Dr Stephen Farry (Deputy Chairperson)
Mr Allan Bresland
Mr William Humphrey
Mrs Dolores Kelly
Mr Francie Molloy
Mr Jimmy Spratt

Witnesses:

Mr Tim Losty)	
Dr Alan McClelland)	Office of the First Minister and deputy First Minister
Mr Michael Woods)	

The Chairperson (Mr Elliott):

I welcome Mr Tim Losty, Dr Alan McClelland and Mr Michael Woods.

Mr Tim Losty (Office of the First Minister and deputy First Minister):

I thank the Committee for affording us the opportunity to give evidence today. The primary purpose of our being here is to discuss the lifetime opportunities framework. My colleagues Alan and Michael will lead on that discussion.

I am here to represent the policy development side of the Office of the First Minister and deputy First Minister (OFMDFM) and to try to answer questions about policy issues. Unfortunately, some of my colleagues with more direct responsibility for working on that policy area are unable to be here because of long-term sick leave. If I am not in a position to answer any questions, I will get the answers and write to the Committee as quickly as possible.

Dr Alan McClelland (Office of the First Minister and deputy First Minister):

I also thank the Committee for the invitation to discuss the lifetime opportunities monitoring framework baseline report. I am from the OFMDFM research branch. My colleague Michael Woods worked with me in producing the report.

Early development of the report involved preparing a proposal paper, which was initially circulated to Departments for comment through the cross-departmental equality and social needs steering group. We built on the comments that were received, and a further draft was developed, which was presented to the Executive subcommittee on poverty and social inclusion in May 2009. The subcommittee made a number of comments and endorsed the monitoring proposal as a way in which to proceed.

In March 2010, at the third meeting of the Executive subcommittee, an early draft report was presented. Again, that was endorsed, and a commitment was given to work towards publishing the report in or around June or July 2010. We subsequently became aware that the Department for Social Development intended to publish the latest income poverty and income inequality data. The subcommittee agreed to postpone completion of the report to allow that data to be incorporated. The Department for Social Development published the updated income data in August, and final preparations for the monitoring framework involved circulating the final draft to departmental data providers for a final quality assurance and subsequent publication on 14 October 2010.

Although the intention in developing the monitoring framework was to produce a bespoke report reflecting our own circumstances, its development drew heavily on related developments at EU and UK levels, in particular the open method of co-ordination, the reporting framework under the EU national action plans for social inclusion and the UK Government's Opportunity for All reporting mechanism.

The monitoring framework is structured around three layers: three child poverty targets; a selection of 29 broader poverty and social exclusion indicators; and, supporting those, 43 public service agreement (PSA) targets from the Programme for Government. The three child poverty targets, one of which is a public service agreement target, are the same measures that are used in the Child Poverty Act 2010. On that basis, they provide not only a means to monitor change here but a means to benchmark ourselves against the UK as a whole and against other UK regions.

Many of the 29 poverty and social exclusion indicators are also used for reporting under EU national action plans on social inclusion. They include indicators that are specific to our own circumstances, such as fuel poverty, an earnings gap indicator and a household savings indicator. Those indicators reflect the reality that social exclusion is more than just income poverty and income inequality. Presentation of the indicators is by life-cycle group — children, working-age adults and pensioners or older people — which reflects the structure of lifetime opportunities. Trends are benchmarked against the UK, the Republic of Ireland and EU25 averages where possible.

The 43 public service agreement targets that were selected appeared to support the aims and objectives of the lifetime opportunities strategy. Targets were selected only if they were SMART. On that basis, the selection excludes some of the more process-oriented targets that may be applicable to lifetime opportunities. The intention behind including the PSA targets in the monitoring framework had been to produce a tangible link between the work of Departments and the indicators and targets in the monitoring framework.

I want to make two final points about this monitoring framework and frameworks of its type. First, although it is a baseline report, the specific targets and indicators are not set in stone and are subject to change over time. When we get a new Programme for Government, there will obviously be a new set of PSA targets. Secondly, monitoring frameworks of this kind are necessarily focused on challenges and difficulties and not primarily on successes and achievements.

As you may have seen from the report, there is a wealth of information, which makes a short summary difficult. However, I will flag up some points to follow on from the earlier presentation from the Child Poverty Alliance. Under income inequality and income poverty, there is an assessment that the 2010-11 child poverty targets are unlikely to be achieved, and the same is true

for the UK as a whole. The trends in pensioner income poverty, whether it is measured in absolute or relative terms, are worrying when compared with other life-cycle groups here and particularly when we compare our pensioners with pensioners throughout the UK. Households in Northern Ireland rely more heavily on income from the state, and a relatively low level of households report savings compared with the UK.

The current picture on economic activity has been much rehearsed, but much of the growth and improvement in the labour force seen up until 2007 has halted and even declined. We have consistently higher economic inactivity rates here compared with the UK, and there is a persistent full-time hourly earnings gap between our employees and those in the UK as a whole. There has been an improvement in the educational achievement of our school leavers; however, gaps in achievement between children who are entitled to free school meals and all children, although narrowing on the weakest educational measure, are persistent on the two stronger measures. Finally, in housing, pensioner households have the highest incidence of fuel poverty and of living in non-decent homes.

That is a brief summary of the development and content of a sizeable report, and we are happy to try to answer any questions that you may have.

The Chairperson:

Thank you. It is a comprehensive report. Although the Committee conducted a child poverty inquiry, I sometimes find it difficult to get my head around the differences between terminologies. You heard me ask the Child Poverty Alliance about absolute income poverty, which had reduced from 29% to 17% in 10 years, but relative income poverty has reduced only from 29% to 25%. It is difficult to understand that, particularly in the community.

Dr McClelland:

As was said in the previous presentation, poverty is a difficult concept to define and measure. I will briefly explain the two measures. The relative measure is, essentially, a contemporary measure — the proportion of children now in poverty. The absolute measure refers to the proportion of children who are still in income-poor households, baselined at a 1998-99 income level. That relates to children who are still poor by the standards of 1998-99. Therefore, there are two slightly different ways to consider the issue. By nature, the absolute poverty measure should fall over time as incomes generally rise. However, that rise has stalled somewhat over

recent years in the more income-deprived households.

The Chairperson:

Are those measures standard throughout the UK and the rest of Europe?

Dr McClelland:

Yes, they are. The relative income measure is a standard measure that is used internationally. The absolute poverty measure is used throughout the UK and is peculiar to it. In that measure, the baseline income level is based on national inflation rates.

Mrs D Kelly:

Thank you for your presentation. I am aware that we are in difficult economic times and that there was an expectation that there would be some regression against some of the targets. In your presentation and statistics, you comment on pensioner poverty, which is, in some instances, materially higher. Will you say a little more about that?

The Committee's inquiry and other research highlight the particular vulnerability of children leaving care. If we are to target resources at those who are most in need, what policy direction measures would you advocate to the First Minister and deputy First Minister or the child poverty subgroup?

Dr McClelland:

Pensioners have the highest rate of relative income poverty when measured against average incomes. However, that must be counterbalanced with an acceptance that the expenditure needs of pensioner households are lower on average than working-age households and those with children. What worries me most about the pensioner relative income poverty figures is the comparison with the UK cohort as a whole, because, although our levels are rising, there is a slight downward trend in UK terms. That is a worrying trend. There is a balance between income on one hand and expenditure on the other.

Mrs D Kelly:

I am sure that many pensioners would dispute some of that analysis, particularly about their overheads. Pensioners often live alone and must, therefore, run their homes on one income. In addition, the mobility component of disability living allowance is not available to people who are

over 65 years of age at a time when, arguably, more people need it.

Dr McClelland:

I accept that. I was simply trying to make an average point in order to compare groups. The pensioner poverty figures have been flagged up as being worrying. I will pass over to Tim to answer your question about children leaving care.

Mr Losty:

Your question was about the measures that we would recommend. We worked in consultation with some of our stakeholder groups to define more relevant appropriate measurements, which have SMART targets and a greater impact. I do not have all the information about that, but I will happily come back to the Committee.

Mrs D Kelly:

I am happy for Tim to come back. We can all talk about targets, but what I really want to know is what you are going to do about the issue. How will you protect some of our most vulnerable children? Some of our most vulnerable children — those who are leaving care homes, in particular — are leaving school without adequate qualifications, thereby severely reducing their life chances.

Mr Losty:

Many of those issues were raised during the consultations with stakeholders and colleagues from other Departments. They are relevant, and Ministers and departmental colleagues want to take them on board. We are concerned about getting in at an early stage and preventing the problem rather than fixing it later on.

One difficulty in getting information back to produce a report for the Committee was that some people wanted time to see how the comprehensive spending review (CSR) would impact on what Departments want to do in the future. There is also a desire not only to have a strategy but to move quickly to implement it, which, for greater impact, should be cross-departmental and thematic. Discussions took place because we recognised the need to do something, and, rather than having to fix problems later, we were determined to get in at an early stage. I hope, therefore, that when I come back to the Committee with more information, you will see how we are progressing on those targets.

Mrs D Kelly:

Do you have a timescale for revising the strategy and for developing implementation plans, because time is of the essence?

Mr Losty:

It is. A year ago, when we embarked on the work, we did not envisage being in the dire financial situation that we are in. Decisions that are taken in London impact on what we do here, and, to some extent, they are outside the control of the Executive, the Assembly and the Departments. We received information from almost all the Departments, which we collated into a draft document that is with the Departments for final proofreading. We hope to get that back by Monday or Tuesday of next week, and, based on whatever information we receive, we hope to produce a final draft for Ministers and the Committee as soon as possible thereafter. We are conscious that, presently, we are some two weeks behind schedule, so we have much time to make up. Nevertheless, we do not want to rush things, because, if we include something in a document that goes out to consultation and leads to actions and an implementation plan, we want to ensure that we get it right and that we are capable of delivering on it. Again, that is where the Budget comes into play.

Dr Farry:

I welcome everyone. I fully appreciate the rationale of having this report. I wish to ask about methodology and the boring and detailed processes that that involves. The report refers to wider framework vertical comparators, including EU and national indicators. To what extent was the work on it co-ordinated and cross-referenced? Were similar questions tested and was information gathered on, for example, what the Northern Ireland Statistics and Research Agency (NISRA) does on the census and, more importantly, on multiple deprivation indices?

Dr McClelland:

To clarify: we are NISRA statisticians.

Dr Farry:

I am sorry; but you work though OFMDFM. My second question was to be about the terrible duplication of resources, with a suggestion that you should be amalgamated with NISRA.

Dr McClelland:

As we put the monitoring framework together, it was necessary to balance many competing demands and to decide at what level to pitch. In a sense, you are damned if you do and damned if you don't, because things will never be absolutely right. It is as good as we could pitch it and find agreement on.

The multiple deprivation measure is not included because it is a tool to enable Departments and public bodies to identify areas of relative need. It is not a means with which to monitor change over time, although its component elements — the statistics that support it — can be used to monitor change over time. Therefore, although it is a tool to be used, it does not fit neatly within a monitoring framework. Nonetheless, some of the statistics are in the multiple deprivation measure.

Dr Farry:

Therefore, there is limited but not full read-across.

My next question is for Tim, because it relates to the PSA framework. At the back of the report, the red/amber/green system is used to monitor progress. I note that there are relatively few greens, but that is another story. In the past, comments have been made about the PSA framework. In particular, the Audit Office commented on the lack of clarity and specifics on baselines in the current PSA framework. Will you comment on how that will be taken forward into a new Programme for Government?

Tim referred to what is happening elsewhere. I understand that the current coalition Government's intention is to abandon the PSA frameworks and adopt something different. I think that that would be a mistake and that the PSA framework has value. It would be useful if you were to comment on where you see that heading, and in particular to what extent we will tighten up baselines for the next round, bearing in mind the work that we have in front of us.

Mr Losty:

I will try to comment on those issues that I can comment on. Ministers are now in discussions about the Programme for Government. From an official's perspective, and in our role of monitoring and managing responses from Departments, we have learned much over the three years of the implementation of the current Programme for Government. We recently had

discussions with the officials who compiled the report, at a senior and operational level. The sense is that many of the statistics and the SMART targets have served us well. They enabled us to see where we are making improvements and getting work done, and also where we are falling behind. There is also recognition that some targets are no longer useful or do not give us the information that we need. There is a sense that, as we move forward, there will be some changes to PSA targets and that they will have to be much more specific, measureable, meaningful and cross-departmental.

We are aware of the changes that the UK Government are considering. They are moving towards impact measurements as opposed to targets. We are also aware that the European Union's programme for government, as it were, will maintain targets. This area is within our control, and, at the end of the day, a decision will be taken by Ministers. However, we think that targets have served us well so far.

Mr Spratt:

I have read the indicators at the back of the report. How can you say that, by 2010, we will have ensured a 5% reduction in the proportion of adults who binge drink and a 10% reduction in the proportion of young people who do so? Everyone else tells us that binge drinking is on the increase and that the problem is growing. That comes from surgeons, health experts and schools. The police tell us the same story, and I declare an interest as I sit on the Policing Board. How can those indicators be green? It is information from the Department of Health, Social Services and Public Safety. I do not understand how they could have been green in 2008-09 and right through.

Mr Losty:

The Departments have to be able to supply us with statistical information that can be measured over a period of time and that shows how they are achieving those targets. That is the information that is coming back to us. Our role is to challenge it.

Mr Spratt:

It is a bit of a joke, is it not? Given all the other information that everyone is giving us, it seems that someone is telling a lie.

Mr Losty:

We can go back and check again. However, as I said, we monitored this information, and we

have a challenge function. We have gone back to the Departments. They supply specific pieces of information to us to show that there has been movement. I will get that information for you.

Mr Spratt:

Let us face it: antisocial behaviour is on the increase. Why is that? It is because of drink. There are all the stories about the cheap booze that is available in supermarkets. In some cases, that booze is cheaper than bottled water. We heard from local government right across the Province about the problems that it creates, the criminal damage caused, and so on. More importantly, we heard about the impact of binge drinking on the health of young people and adults. It is featured almost every week on the news, and yet you come before us with statistics like that. I do not blame any particular official, so do not take that personally. That is incredible. That is a joke and a laugh.

The Chairperson:

Jimmy, that matter has been raised before, not only on that issue but on how, on other issues, green readings are given on PSA targets.

Mr Spratt:

It goes back to the saying that there are lies, damned lies, and statistics

The Chairperson:

From what I recall, we asked for that to be raised through the Chairpersons' Liaison Group. I cannot remember what the response was, but it is an issue for all Committees and Departments, and the matter has been raised elsewhere.

Mr Spratt:

I am not trying to make a political point about the Department of Health, Social Services and Public Safety or any other Department. It is an issue across the board.

The Chairperson:

I accept that.

Mr Spratt:

It is incredible and laughable, to say the least, that you are producing a report that includes that

type of thing, because it cannot have any credibility.

Dr McClelland:

To clarify: the target was for a reduction of 5% in the proportion of adults who binge drink.

Mr Spratt:

Everyone else is telling us that binge drinking is on the increase.

Dr McClelland:

Each of those targets is supported by a measurement framework, so the Department of Health, Social Services and Public Safety will support that by evidence from a particular source. From memory, figures were released recently that show a small reduction in the proportion of people reported as binge drinking. Again, that is defined in a particular way.

Mr Spratt:

I am sorry for labouring the point, but it is important, and it indicates other points. Surgeons and other people tell us that the vast majority of the people whom they see in accident and emergency departments are there because of problems that were created by drink or drugs. Any surgeon or house officer in any accident and emergency unit any weekend will tell that story. Between 85% and 90% of the cases that they treat are either drink- or drug-related, and, at district policing partnership (DPP) and Policing Board meetings, the police tell the same story about antisocial behaviour. A problem has been identified, to the extent that there has been talk about trying to stop supermarkets selling cheap booze.

The Chairperson:

Jimmy, we need to be clear that we do not stray into the areas of other Departments or Committees, but am I right to say that your point is on how the targets are colour-coded?

Mr Spratt:

Yes. That does not have any credibility in my eyes, and, if one were to ask the first 20 people whom one met in the street, they would not think that that was right.

The Chairperson;

To be fair, that is an issue for Departments broadly and how the Executive code the targets. We

raised such matters previously, specifically with OFMDFM on issues such as progress on the Maze/Long Kesh site. It had a green or green/amber code, yet nothing had been done, and it was way behind schedule. There are issues about how that is carried out, and that is the point that I want to get over. I assume that that is also Jimmy Spratt's point.

Mr Spratt:

Very much so.

Mr Losty:

We will come back to you with further clarification on that issue and on dealing with performance measurements in the Programme for Government. I am sure that we will come back to that at another meeting.

The Chairperson:

Gentlemen, thank you for the presentation and for answering our questions.