



Northern Ireland
Assembly

Committee for Social Development

OFFICIAL REPORT (Hansard)

Social Fund Reform: DSD Briefing

11 October 2012

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Alex Maskey (Chairperson)
Mr Mickey Brady (Deputy Chairperson)
Ms Paula Bradley
Mrs Judith Cochrane
Mr Michael Copeland
Mr Mark Durkan
Mr Fra McCann

Witnesses:

Ms Angela Clarke	Department for Social Development
Mr Brian Doherty	Department for Social Development
Ms Leonora McLaughlin	Department for Social Development

The Chairperson: We will receive a briefing from departmental officials.

Mr Brian Doherty (Department for Social Development): Our presentation on social fund reform was part of our first presentation.

The Chairperson: Fair enough. That is why I said earlier that there was a bit of straying.

Mr Doherty: My apologies; I should have made that clear.

The Chairperson: OK, there may be another couple of questions.

Mr Brady: Thanks for the briefing on the social fund.

Quite a bit of the argument on Tuesday, which was regurgitated by many on many occasions, was that the Welfare Reform Bill not getting through would mean that the social fund would finish in April. However, what you are saying, Brian, is that there has to be a new scheme in place anyhow. Therefore I could not understand why, if there is to be a new scheme in place, people were rabbiting on, for want of a better expression, about the current social fund when it will be abolished anyhow. I tried to explain that, but we were there till 12.00 am, and I did not want to be there for another 12 hours.

The Chairperson: Keep it temperate, now. This is not Tuesday; this is Thursday.

Mr Brady: It was used as an argument, and I really could not understand why. I presume that there will be a new scheme, and it will not necessarily be based on similar lines.

Under the current social fund, if you apply for items and get a grant or a loan, you cannot apply for the same items within six months. Is that likely to be maintained?

Paragraph 3.5 of your briefing states:

"It is planned to introduce a pilot exercise to trial the direct provision of goods to customers as an alternative to cash payments. It is anticipated that this sort of provision could provide an opportunity to put in place competitive discount arrangements with suppliers."

In my experience, going back to the 1980s, that does not work. When the social fund was introduced after single payments, one furniture supplier closed down because it relied totally on such vouchers. One shop in Newry, which has a branch in Belfast and is quite a big furniture shop, had a sign in its window saying, "DHSS giro accepted." When I asked whether those were the only cheques accepted or could anybody go in with a cheque, they said, "Oh, yes." That was stigmatising people who were on benefits. Therein lies the problem.

Then you had a patronising attitude, whereby visiting officers or social workers would go into the shop with the person by the hand and tell them what to buy. I remember that they were selling Spanish cookers, where the grill was in the oven and did not work. I am using that as an illustration of the pitfalls so that we can avoid them. The idea that there is somebody who knows better than you what you should have in your house and that shops are making a profit out of it needs to be addressed. This is an opportunity to avoid all that.

Mr Doherty: Under the proposals in the Welfare Reform Bill, the social fund will be abolished. Therefore from our point of view the issue is operational delivery: we need to have a scheme that we can deliver. As I said earlier, that provides us with an opportunity to do something for Northern Ireland that will not be delivered elsewhere in the UK. In England, any money that is dished out will be dished out to local authorities. Scotland and Wales are watching what we are doing before they decide how to proceed, although they have different approaches. There can be little doubt that, with effect from 1 April next year, subject to the Welfare Reform Bill being passed, the social fund will not exist. That would be terrible, given that it would take £30 million out of the pockets of very vulnerable people and out of the economy in Northern Ireland. Therefore, it is very important to us. I will let Leonora pick up on the items within the six months. We will look at white goods in a pilot scheme. You rightly raised issues, Mickey, about how that worked. In GB, an organisation called the Family Fund does something very similar. However, we will not be giving out cheques or vouchers. The simple payment system is being rolled out across the agency with effect from Monday past, so cheques will not be in existence from March of next year.

The pilot scheme has yet to be devised, but our intention is that if people told us that they needed a cooker, for example, we would use local suppliers to deliver a cooker. In this day and age, most such items come with a 12-month guarantee, whereas in the past, some people would come in within a 12-month period telling us that they needed three, four or five cookers. The new scheme avoids that and gives people support for what they actually need. Nevertheless, we have to have some discretion. We want to pilot it to see whether it works; if it does not, we will perhaps look at other things.

Ms Leonora McLaughlin (Department for Social Development): We have the same issue with items as we have with trying to spread the money and making sure that as many customers as possible are assisted. As Brian said, because of guarantees, we intend that there will not be repeat applications for the same item within a 12-month period, except in instances of disaster such as fire or flood, in which case we will make an exception.

We are aware of sensitivities about the goods and services pilot. A very strong theme came through in the phase 1 research, and there is no intention that customers will be stigmatised. The Family Fund, which operates in Northern Ireland as well, has a very good system whereby pre-paid cards are used in some instances, which allow customers a degree of discretion about the item that they get, so long as it is a cooker or fridge, for example. That is probably a good model that we can look to. However, it remains to be seen. As Brian said, we will take this on a small scale in the first instance.

Mr Doherty: The pilot will not be done before we land the scheme on 1 April; it will be done at some stage next year when we have worked out what shape we want it to take. It may be done in a small geographical area just to see how it works. That will not be landed on 31 March.

Mr Brady: I am not criticising examples of good practice or good models. It is really that the control, in a sense, is taken away from the person and they are told what somebody else thinks they require. I know that the Family Fund does good work and that there were people in the past who used the fund almost as a topping-up system, and that has to be watched. It goes back to the experience of staff who have been implementing the system for a long time.

Going back to what I said, this is a chance to be innovative and introduce a scheme that targets people who need it most. There will probably be tiers for the most needy up the scale. We were originally told that the social fund would be cut by some 10%. You are now saying that that will not happen, which is good news.

Mr Doherty: Absolutely.

Mr Brady: It is still probably inadequate but better to have a 10% cut than lose it.

Mr Durkan: Mickey was saying that too many cooks spoiled the broth. *[Laughter.]* On the budget, the discretionary support policy is for the social fund as well.

Mr Doherty: It is for the discretionary payment scheme with effect from 1 April 2013.

Mr Durkan: Yes, sorry, in the new scheme to replace the social fund.

Mr Doherty: Yes.

Mr Doherty: It will keep the same budget as the social fund.

Mr Doherty: That is what the Treasury advised us, that we will receive —

Mr Durkan: You mentioned £30 million.

Mr Doherty: The total expenditure per year is £29 million for community care grants and crisis loans, and it is funded from two channels. The Treasury gives us about £16 million a year, which is part of its annually managed expenditure, and we keep about £13 million from what we recoup on the loans, with Treasury agreement. That is how you get the £29 million.

Mr Durkan: Some people who talked the other day about it being abolished said that it was, I think, £82 million.

Mr Doherty: Eighty million pounds is an accurate figure in that it is the entire social fund. However, we are talking about the non-regulated elements. The social fund also includes maternity grants, funeral payments, budget loans —

Mr Brady: Yes, funeral expenses, and discretionary and non-discretionary payments.

Mr Doherty: Discretionary and non-discretionary payments. That would be reflective of the total budget.

The Chairperson: That is all part of the debate, and we could debate that all week. If we do not pass the Welfare Reform Bill, we still have the current legislation. We have no void.

Earlier, I think that Angela or you referred to working with the community and voluntary sector on referrals in particular. Will you elaborate a little bit on that for me?

Ms Angela Clarke (Department for Social Development): Certainly. When developing the policy, some opinions were expressed that, when people appear in an emergency or crisis, we should force them to take advice from certain people. It is not about forcing people, but referring them and making them aware that there are particular agencies that could help them with advice. The important thing is

to meet the immediate need there and then; that is what we have to do. We are also keen to make sure that people know where they can go to get good advice, which will, perhaps, help them in the future and maybe more so than with the immediate need that crept up on that occasion.

We know that there is a lot of concern about the advice, and we want to make sure that whatever advice is available is provided to the appropriate standards. The Department has done a lot of work with advice agencies over the past couple of years, and we have agreed a new contract quite recently. It is very much based on a partnership arrangement, and a lot more information is shared about the kind of people they see and the kind of issues that come up. That is then fed back to the Department. In some ways, we try to match how the money is spent against the areas that come for advice.

As welfare reform is such a huge issue and will cause so much concern, the Department has decided that the focus of the advice and the quite substantial amount of money that goes to the advice sector really needs to be on welfare reform. We want to make sure that there are staff on the ground. There will be support from the centre, but we want to make sure that the people who deliver on the ground are properly trained. We also want to see evidence of the kind of training they get and we want them to work very closely with the Department to understand what they should be training in. It is not just that. It is about trying to align better across the public services, so that we do not do that in isolation and work more closely with social services and with the people who support people. That may take a bit of time, but we have to bring it all together and make sure that the people at the centre are being supported with the proper advice.

Mr Doherty: If I could just add to that. Earlier, Fra wanted an assurance that the Social Security Agency would deliver the scheme. As part of our early engagement with stakeholders, the message came through fairly clearly that the advice sector did not want to play the role of delivery agent, and that it saw itself playing a different role. We very much respect that, and, as has been pointed out this afternoon, some people do not, necessarily, like to engage with government. Thankfully, that is not a huge number of people, but we must give those who do not want to engage an avenue.

The advice sector has a very important role to play in signposting people to the services it provides on a holistic basis, which we cannot provide. Citizens Advice or Advice NI deliver a debt service on behalf of the Department of Enterprise, Trade and Investment (DETI), and people come to it for social fund moneys. Many people who are on benefits are probably better debt managers than, dare I say it, anybody in this room. They get very small amounts of money and know how to use it. Being able to divert or signpost them to the advice sector to give them other advice on the other things that are available will be really important, and the advice sector was very keen to play that sort of role. It could be that some people in our offices will do that for them. We have not quite worked that out. As Angela said, this is very much a partnership approach. We recognise the important role that the advice sector plays in supporting people through difficult times.

Ms A Clarke: Perhaps it is important to mention the new financial capability strategy that DETI is developing. We want to work very closely with DETI to ensure that it understands the kind of issues and business that we need support on. What DETI does has to be properly reflected across government.

Mr F McCann: I think that the advice services have been an unequal partner with the Social Security Agency as far as the level of funding they get is concerned. How much funding goes to that sector? I think that one Minister gave it an extra half a million pounds a number of years ago, and that may have been increased by the present Minister. Given the level of advice that is required for the changes that are coming, a substantial amount of money needs to be put in. The advice services are stretched dealing with that. Other groups also provide professional debt advice and a good service — the likes of the Housing Rights Service, which works with people who are losing their homes. Advice NI is a great organisation. Citizens Advice is a good policy organisation. Other groups are specific in the advice and work that they do, and they need to be considered, too.

Mr Doherty: As indicated, the Minister has that actively under consideration. However, the Committee will be aware, as you know, that our benefit uptake programme is delivered in strong partnership with Advice NI. Of the 25,000 people whom they would have contacted last year, debt advice is among much of the advice that they would provide to vulnerable people on very low incomes. I tend to disagree; I think that we have worked on a true partnership basis with the advice sector. It is a challenging partnership at times, but it is one in which we recognise that they have a very important role to play.

Mr F McCann: It is like a Big Brother partnership, sometimes. I think that that applies to most Departments.

Mr Brady: I have two points: you mentioned debt advice, and I think that Advice NI, which has a debt advice unit with just two people working in it, who do invaluable work, certainly in Newry, has just moved into Ballybot House, where I used to work.

Mr F McCann: Where is Ballybot House?

Mr Brady: It is in Newry, funnily enough.

Mr F McCann: Mickey worked there for 38 years.

Mr Brady: My point is that they do very good work. On another point: you mentioned people from the voluntary sector going into local offices. I am not sure whether that is a good idea, because of what, based on my experience of working in the advice sector, I call "brown envelope" syndrome. Very self-assured people who would come in to see me over the years would not open letters from the buroo. They could have contained giros; they could have been good news or bad news, but, historically, people in the North are suspicious of the statutory sector, particularly the buroo. That is just the way it is.

You worked in social security and so did I. A distance is needed, because, when I was in welfare rights, I was a kind of conduit between cash, being the buroo, and caring, being social services. So, you tended to get people coming in from both directions. I think that it is important to retain that kind of independence. I am not sure what the voluntary sector thinks of this at the moment, but it is just that, historically, people are suspicious. When I started in welfare rights, having just worked 100 yards up the street in the buroo, it took about six months or a year for people to accept that I was not one of "them" and was now one of "us". It is just something to keep in mind.

Mr F McCann: I think that you are still one of them.

The Chairperson: When Mickey started, they were getting brushes for the chimney sweeps.
[Laughter.]

Mr Brady: That was only for 10-year-olds.

Mr Doherty: It is a point that is well made. Although I believe that the trust and confidence that people have in the different services is considerably improving, with regard to the advice sector sitting in the office, it is something that we would look at in conjunction with the advice sector. It is more about making sure that it has access, if needs be, to our premises. Its groups are not in every area of Northern Ireland, but it is something that we will definitely look at.

Mr Brady: There may be a lot of vacant office space in local offices if things carry on the way that they are going, unfortunately.

The Chairperson: I am always curious when people say, "I am only going to ask one question", and they then ask at least three. If people are content that we have explored this, may I thank Brian, Leonora and Angela for their briefings and for dealing with the variety of questions. This work is obviously ongoing. Thank you.

Mr Doherty: Thank you.