



Northern Ireland
Assembly

Committee for Social Development

OFFICIAL REPORT (Hansard)

Welfare Reform Bill: Briefing by ICTU, PCS
AND NIPSA

29 October 2012

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Alex Maskey (Chairperson)
Mr Mickey Brady (Deputy Chairperson)
Ms Paula Bradley
Ms Pam Brown
Mrs Judith Cochrane
Mr Michael Copeland
Mr Sammy Douglas
Mr Mark Durkan
Mr Fra McCann
Mr David McClarty

Witnesses:

Ms Pauline Buchanan	Irish Congress of Trade Unions
Ms Maria Morgan	Irish Congress of Trade Unions
Ms Alison Millar	Northern Ireland Public Service Alliance
Mr Derek Thompson	Public and Commercial Services Union

The Chairperson: I welcome everyone here this morning. Thank you for taking the time to make a written presentation as well as for coming to the Committee to speak to us and have a good discussion.

Committee members have the papers before them. If members want a copy of the Bill folder, we have copies here.

I do not want to get off on the wrong foot, but I must make a wee point. I see that one of the paragraphs in the written presentation from NIPSA seems to suggest that it is inappropriate for the Committee to give a three-week period for stakeholders to respond in. It states:

"This response is therefore prepared within the unacceptable constraints imposed by the Social Development Committee as our initial response."

I need to put on record that the Committee does not accept that. The Committee is very clear that we have a statutory time frame for legislation. Not only did we advertise before the time frame was scheduled but we telephoned people directly through the Committee Clerk. We have a list of the series of phone calls that we made, asking people to prepare evidence formally.

Most administrative people, such as you, not only provided a written submission but attended, after the 19 October, and it is entirely up to you what you want to say in addition to what you have written. The floor will be yours in a couple of minutes.

I am just making the point that the Committee is satisfied that, not only are we giving adequate time for this — it has devoted three days a week to the task of evidence-gathering, and rightly so, given the importance of the Bill — we had seven or eight pre-legislative briefings from the Department, we had a range of engagements from organisations, including a number of your own, over the past year or more and we have participated on panels organised by trade union representatives and others. Therefore, the Committee does not accept that it has restrained anyone from making an appropriate submission. We have a statutory framework to abide by.

I say all that without prejudice to any member's views on the Bill, whether or not members eventually support it. That is a matter for them to decide in due course. However, the Committee has, as I said, to work within the statutory time frame and the legislative process.

The Committee believes that it is well within its remit. No matter what people's views are, we are very anxious to engage with all the key stakeholders. We recognise that your sector is a very important one in society. We look forward to continuing to engage with you.

Without further ado, I once again welcome you to the Committee, and we look forward to hearing what you have to say.

Ms Alison Millar (Northern Ireland Public Service Alliance): I will lead off.

I hear what you are saying, and I note the position of the Committee on the consultation and time frame.

The Northern Ireland Committee, Irish Congress of Trade Unions (NICICTU), the Northern Ireland Public Service Alliance (NIPSA) and the Public and Commercial Services Union (PCS) have engaged with political representatives for quite some time now. However, the point that we made in the NIPSA submission is that we did not see the Bill in its totality until 1 October. With due respect, it has taken up a significant part of my time, Maria's time and that of a number of other people to try to get our submission in within the allotted time frame. We are still picking up issues of detail in the Bill because it is complex legislation and has far-reaching ramifications.

We had hoped that the Committee would offer a 90-day consultation on it. To be perfectly frank, it is our view that this is all to fit in with the GB legislative time frame. They want to have most elements of this legislation in place for April. We will talk about the detail of that. We believe that things like the sanctions regime and the new benefits, such as PIP, etc, are designed to meet that time frame. Universal credit has now moved out for six months. Given the impact that this legislation will potentially have on Northern Ireland society and for workers in the system, it should not have to meet a legislative deadline of 1 April. That is the issue that we are raising primarily.

Just to clarify the situation, I will kick off, and Maria, Derek and Pauline will cover various elements. That might help the Committee.

We are aware of the Minister's announcement of 22 October, last Monday, about split payments, direct payments to landlords and fortnightly payments; that is all in our submissions. We fully support them.

As with much of this legislation, the devil will be in the detail and the regulations. We want to reserve the right, once the regulations come out, to engage with them. We have a question, at the outset, about the regulations. Will the regulations be fully scrutinised by this Committee in the same manner as the Bill? We hope so. As I have said, it is our position that the regulations should be subject to affirmative, rather than negative, resolution procedure. If it is appropriate, we would like to hear the Committee's view on that. The devil is in the details with a lot of this, and the regulations will be of great significance to us and to society at large.

The Chairperson: Thank you for that, Alison. The Committee has not formally decided on a number of those key points and, as I suggested earlier, those matters depend upon what the parties and the members round the table eventually decide. Obviously, in due course, the Committee will consider all that.

As I am chairing the Committee, I have to take a neutral stance. The Committee has not formally agreed on any of that. The Committee is well aware of that. I can safely say that I am satisfied that all the parties and the members around the table, no matter what way they ultimately vote, are fully aware of the consequences of the Bill, its implications and the big issues that are there to be dealt with.

Our difficulty — to a member — with the Bill is that it is enabling legislation. Therefore, many of the regulations will come afterwards. You can be assured that all the regulations will be fully scrutinised by this Committee. We will engage with whoever we need to engage with and, equally importantly, whoever wants to engage with us at the given time. Our problem in grappling with the Bill is, precisely as you have already said, that a lot of the detail will come after it.

Already, for the most part, we know what will happen through the Westminster Bill. Certainly, from my discussions with David Freud last week, I think that there are still huge question marks as to how all this will roll out. As far as I am concerned, and I have said this publicly, I welcome the announcement on the area now to be dealt with: split payments, monthly payments and all the rest of it. However, none of that is settled yet. So there is still a day's work to be done on that.

We welcome that direct payments will be made to landlords for people in receipt of rent. Beyond that, nothing else is formally agreed or tied down. So there is still work to be done by those who are concerned with that. As I said earlier, I and all the members around the table are satisfied with that.

In making its decision, the Committee has to grapple with the fact that this is enabling legislation which will then be followed up by regulations. Regulations come after the primary legislation, which means that, to some extent, they are governed by the primary legislation. That is the big dilemma that Members will have to face when they eventually vote on the Bill. The Committee Stage is one part of this, and the Committee will make its decisions. It may seek to amend the Bill or change particular provisions in it. Obviously, there will be other Stages in the Assembly with opportunities. It is up to the Committee in its deliberations to decide whether to support amendments or propose amendments. We can also add a narrative to that by way of recommendations or observations, and I have no doubt that it will do so. There will be some things that may not be changeable in the Bill. It would not be right for me to count heads around the table, but the options for the Committee will be to make amendments, to oppose elements of the Bill perhaps, to support elements of the Bill perhaps and to make additional recommendations and observations. I have no doubt that a number of the submissions that we have heard so far and the members' own experiences will lead to a particular narrative. I could nearly write some of that script in advance, but that is up to all of the members. Alison, thanks for asking that question, which gave me the opportunity to set that out. The big issue for us is that the detail will come later on. We know already most of what is coming through Westminster, but, as I said to David Freud last week, I will, ultimately, have to vote on what is front of me, not what someone thinks might be all right on the night, so to speak.

Ms Millar: Thank you, Chair. I understand that the Minister made headline announcements last week, and we will have to see how split payments and so on map out over the next short period. We are fully supportive of those three issues about direct payments to landlords, split payments and the view that fortnightly payments are more appropriate than monthly payments. They need to be fleshed out. Although we welcome those concessions, our view is that they do still do not improve the economics of the Bill, and it will still lead to £500 million being removed from the Northern Ireland economy. Further job losses will result. The Committee will be aware that, unlike other parts of the UK, our unemployment figures are rising and the number of available jobs is decreasing. Our submission includes the DETI figures from July of this year, which show that only 3,000 jobs are available, with 63,000 people, or thereabouts, unemployed. The figures do not stack up. We ask that, for those reasons, the Committee considers in the round the impact that the introduction of the legislation will have and that any mitigation should be taken in that broad context.

As the Committee will be aware, NIPSA represents members in the Social Security Agency and the Housing Executive. Colleagues in the PCS represent members in Her Majesty's Revenue and Customs (HMRC). As we understand it, between now and the introduction of the legislation in 2017, although jobs may be ramped up in the initial phase to get the new benefit and changes in place, there is potential for up to 1,600 job losses in the public sector in those areas. We are currently working through the issues around the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) and so on and how people in the public sector transfer to a new organisation. We do have serious concerns about the potential for job losses in the administration of benefits.

We cannot accept that 1,600 job losses is appropriate. I refer the Committee to areas of the private sector and the recent announcement of 860 job losses at FG Wilson. Quite rightly, there was a special debate in the Assembly on that issue. Yet, it appears that the Committee and Assembly almost accept job losses in the public sector, whether the losses relate to the introduction of the Welfare Reform Bill or to change in other areas such as health or education services, etc. We ask the Committee to take that into account in its totality, because, with those types of job losses, the reality is that staff who currently administer benefits will end up being recipients of those benefits. That is a major issue, and members will be aware that thousands of jobs across the public sector have gone, and this will just bring further losses.

Leaving aside the issues that I have already raised, we have concerns around elements of the Bill, such as universal credit. We are concerned about the benefit being primarily delivered online. In paragraph 3.2 of our submission, we refer to a previous PricewaterhouseCoopers (PWC) report that made it clear that claimants prefer face-to-face contact. We have major concerns about the impact of online payments on the vulnerable and those with low IT skills or poor accessibility to IT, such as the disabled. We do not believe that the Department for Social Development has thought this through. We believe that the people best placed to advise are our members who work in delivering these benefits. Individuals need to be able to access face-to-face contact. That is not something that only we believe; there is hard evidence in the PWC report into changes to the benefit system that face-to-face contact is vital. Otherwise, people do not claim. I know that each year the Department seeks to ensure that those entitled to benefits do claim, but we believe that there will be an increase in the number of non-claimants. Because it will be computer-driven and people cannot have questions answered, etc, there is the potential for more errors. There is also the potential of sanctions and conditionality penalties being imposed on people because they have made a mistake. So, we do not believe in, and have major concerns around, the whole IT provision and online accessibility.

We have major concerns around the clause 5 provision for the introduction of a taper. We do not have a figure for that that we can state today, but we believe that it should be set at the highest possible level. We believe that doing that does not break parity, because there is flexibility to introduce a different taper in the Northern Ireland context. We have been listening in to other people who have been in front of the Committee, and you have heard concern expressed about the impact of the tax credit issue, particularly but not exclusively because tax credit changes earlier this year have already hit middle- and low-income families and driven down their standard of life. I have heard stories of people already losing between £30 and £130 of their tax credit. From our reading of the Bill, one of the tax credit issues is that it is likely to impact on older claimants who may have spent time saving for their retirement. This is all about making work pay; so, will the changes mean that people who have worked and continued to put aside money for their retirement or to send their children to university no longer receive tax credits? Our reading is that older people are more likely to have spent time saving for their retirement, and the Bill's savings rule for those with £6,000 to £16,000 will have a negative impact on older people, which may raise an equality issue for the Committee to examine. So, we ask the Committee to consider putting the case for protection or transitional arrangements to be put in place for tax credit claimants who will transfer to universal credit and that the capital entitlement for one or both of a couple who have reached the age of 60 should also be exempt and have protection. We ask the Committee to consider that in its deliberations.

I will touch on the issue of the benefit cap. It will be £500 or £350 depending on whether it applies to a couple or a single adult. We have major concerns about the benefit cap, particularly the impact on families with children. The August 2011 figures show that just short of 82,000 claimants are on income support, and, of those, just over 33,500 have children. With the larger-family issue, 8,000 have three children or more; 2,000 have four children or more; and 870 have five or more children. Therefore, as child benefit is included in the cap, that will potentially impact very negatively on families, particularly those families with a larger number of children.

As I understand it, while PIP is excluded from the benefit cap, the disability premiums of the child tax credits will be included in the cap. The Northern Ireland Commissioner for Children and Young People's research and figures show that 6,500 families will lose under the new arrangement. So, there will be an impact on health and well-being, and educational outcomes will be diminished for children, particularly those from larger families. So, as an action point, we ask the Committee to consider whether it should ensure that the benefit cap is removed or set at a high level to protect families and children, irrespective of family size, because, as you know, there are larger families here in Northern Ireland than, perhaps, in other areas. We are asking that the Committee consider overall whether, because of the negative impact, the benefit cap should be removed and set at a higher level for families with children.

I will move on to the housing element and finish there. I will then pass over to my colleagues. We very much welcome the housing element of universal credit being paid to the landlord, and I think that that will address a serious number of the concerns that we had. However, there remain quite a number of issues with housing that we want the Committee to consider. For example, the intention of clause 11 is to provide an amount to be included for universal credit for housing costs, and that is not related to actual rent in the local housing market. That should be included, because our understanding is that that has the potential to cause a disconnect between the housing costs and the actual rent and, therefore, over a period of time, cause further hardship or perhaps even homelessness. That also impacts on and has a resonance with the Department setting the rents at either consumer price index (CPI) or the bottom 30th percentile. It is currently at 50%. Again, that has the potential to cause homelessness.

The issue that has most exercised the minds of many is that of bedroom tax and underoccupancy. I will not tell the Committee what it already knows, but 14% of properties in Northern Ireland have one underoccupied bedroom, and 25% have two or more underoccupied bedrooms; so there is potential for tenants to receive approximately £8.25 or £14.70 a week less respectively. Again, that will result in hardship or homelessness. We believe that the Committee needs to address the issue of what is commonly called the bedroom tax, and we have looked at some of the issues with the availability of social housing and houses with one and two bedrooms. The 2009 Housing Executive housing condition survey showed that the availability of properties with one and two bedrooms is very limited. That is in our submission.

We think that non-resident parents should be exempt from the current shared-room requirement in housing benefit. For a variety of reasons, including child protection reasons, we do not think that it is acceptable that a child should have to share a bed with a parent. When I talked to my colleagues in social services, they said that there were issues under the Children's Order in relation to the potential there. That is not to discredit any parent or family member or to say that they would abuse a child, but, under the Children's Order and from my contacts with social services, it raises issues around child protection.

To sum up, as you will know, 90% of social housing in Northern Ireland is segregated. While the Housing Executive has been working to improve that over the years, it will take a generational change and a focus to change that situation. We have to recognise that we are coming out of 30-plus years of conflict. We ask the Committee, in its deliberations, to consider not introducing the underoccupancy bedroom tax until sufficient social housing of one and two bedrooms has been built to meet the needs and/or, where there are children involved, the underoccupancy rule should be set aside until we are able to get houses built that are of sufficient standard. What we are actually saying is that we do not have the resources and have not been able to do the in-depth study. Perhaps that is something that the Committee would want to get its researchers here to look at. If people are made homeless, they turn up at the Housing Executive. What is the cost impact if they have to be put up in more expensive accommodation? What is the impact, not just from a cost point of view but from a point of view of the children and the family living in hostel type accommodation, etc? Therefore, it is not just about the cost; it is about the social impact of a lot of these changes. As I said, the Assembly should exempt non-resident persons from the shared-room requirement in relation to the housing costs. I will finish there and pass over to my colleague Maria, who will go through the conditions and sanctions.

The Chairperson: On your last point, I just want to make the point that David Freud has already said, and the Minister mentioned it last week, that he is going to come over here by the end of this month to look at the whole question of housing benefit. I am just repeating to you the announcement that was made last week. We had a presentation from the Housing Executive last week, which said that, on the evidence that it had so far from its own database, it could not meet the challenge if people affected by this presented themselves tomorrow morning. That will add to the issue around displaced costs. I am not going to bring in other members until we hear the presentation.

Ms Maria Morgan (Irish Congress of Trade Unions): Thank you, Chair. Alison made the point that the aim of the trade unions in coming here today is to try to express in detail some of the ramifications of the proposals. That said, the devil is in the detail, which will be in the regulations, so we got our trade union side in the areas that currently deal with disability living allowance DLA and jobseeker's allowance JSA to try to give us some of their concerns in order to highlight the ramifications.

We are opposed to this Bill on the basis that it is, as it says, predicated on cuts — very significant cuts of £18 billion, which will mean £500 million for Northern Ireland. We have tried to extract the ramifications as best we can without the detail. I am going to deal specifically for now with sanctions, conditionality and hardship, which relate to clauses 13 to 30. Those clauses introduce severely

increased sanctions for people who fail to meet conditionality requirements. We ask the Committee to consider whether those clauses are proportionate and reasonable. We ask that because, if you look at the period of sanctions — 13 weeks, 26 weeks and up to three years — it is quite incredible to try to imagine that you would sanction anybody for three years. However, leaving that aside, that is the worry that we have in dealing with this issue. If you were to sanction someone for that length of time, we would have absolutely no doubt that hardship and destitution would result. That would have to be considered with respect to the equality and human rights aspect of the Bill, including the consequences of the withdrawal of benefit and what that might mean to families, particularly those with children.

There has been an increase in instances of aggression against public sector workers. In our own environment, in Jobcentre Plus, PCS and across NIPSA, the potential increase in violence or aggression occurs where people are in despair and coming into our offices. That is not to say that these are not reasonable people. They are people who come in, first-time unemployed, and our fear is that our members are not being given the time to deal with job search and to create all of the de-stressers that are needed when someone is in that situation. We are very proud that our members provide that service. However, we worry about where our society will end up, if that service is removed.

In clause 22 of this particular area, it is required that 35 hours a week are taken to find work. We do not oppose in any way the principle that those who are unemployed should take reasonable steps to find work. In our view, if you are to scrutinise what 35 hours of seeking work might mean to someone, it should not mean that someone should trawling the streets or offices. There are mechanisms in place for that now. We do not know what 35 hours of seeking work would mean. I have worked in a benefits office, and I really do not know what that would mean. I think that that needs to be looked at. Is it excessive?

The other thing is that we are very concerned about is that, although the Bill is about getting people from benefit into work, what has not been publicised is the number of in-work people that it will affect — the working poor. All work requirements contained in these clauses can be imposed upon claimants who already work but who earn below a certain threshold. That will affect, for instance, lone parents who cannot work full-time hours any longer because of various barriers. One of those barriers is absolutely clear in Northern Ireland, and that is the lack of affordable childcare. There is no Northern Ireland strategy to address those issues at the moment. Lone parents are predominantly female, and we are concerned that no analysis has been done. The equality impact assessment has been done on the Bill, but it is our view that it lacked detail. No real impact has been assessed.

The family resources survey (FRS) figures have been used to assess what the Department calls "winners" and "losers". Those are not our terms. The FRS data is from 2009-2010. They are old, pre-recession figures and, in our view, they would not identify the current economic climate and the high levels of unemployment.

Alison made the point that Northern Ireland is different, and we have to consider that we are coming out of conflict. There are high levels of mental ill health. We have people who would take jobs if jobs were available, but they are not available. You need to consider that when you look at sanctions. Who would be affected if sanctions were imposed, as provided for in the Bill?

There is also the issue that Northern Ireland has the highest unemployment of all 12 regions. It was on the news last week that Britain is officially out of recession. I do not know how that makes any difference to anyone's pocket. We are talking about society and people. NIPSA and PCS members would all say the same thing. In a school, our members have been asked to reduce their hours rather than lose a classroom assistant. They have reduced their hours in order to keep people in work. If the sanctions say, "You are not meeting enough hours or an earnings threshold. Go back to your employer and ask him whether you can increase your hours." That will not happen. I represent NIPSA in the Civil Service, and we have a lot of part-time workers. There are simply not enough hours available. These are part-time workers in receipt of tax credits who will be universal credit claimants, and the hours are not there.

We ask the Committee to consider that we are imposing a potential sanction on someone because they are not working enough hours, because they are not earning enough money. That is the way our society is made up. Neither we nor anyone else in the room will be able to address that. In particular, employers will not be able to address it. I know that there has been some discussion with the Committee for Enterprise, Trade and Investment to see how employers can put someone from benefit into work when there are people who are already in work and cannot get the hours. That is a huge

worry for us. Alison also pointed out that there are between 3,000 and 4,000 vacancies and, as we speak, nearly 120,000 people seeking work in Northern Ireland.

In July, there were 11 jobs going in a DFS furniture store in Derry, and 2,300 people applied for them. There are examples such as this at Asda stores across Northern Ireland. We are aware, and have been told, that the cuts will be made by cutting down on the number of workers, and it is planned that another 40,000 jobs will be cut. So, given that we know that the Tory Government are proposing to make more people unemployed, and that sanctions will be imposed on those who cannot find work, there will be a big cycle in which people will not be able to claim benefits and will not have the safety net of the welfare state that they need.

We have an issue with universal credit. The current six working-age benefits will become one benefit. That will, in our view, be a platform for privatisation. On that point, colleagues will cover some issues around Atos.

Before I leave the sanctions issue, I want to say that according to research carried out by the Institute of Fiscal Studies, Northern Ireland will be hardest hit after London. To date, we have not seen any analysis from the Department on who will be impacted. Until we know that, the only thing we can go on is our currently high levels of unemployment. If sanctions of 13 or 26 weeks, or three years are imposed on people, that will create poverty in Northern Ireland. If there are not enough jobs, and there is not childcare, we do not see how these proposals can be met. On that basis, we ask that these clauses be removed and that some analysis is done. Nobody can tell us any more than we know already about what, who, or how many people will be impacted. On that point, we would say that more analysis needs to be done on who may be impacted.

Clause 28 deals with hardship payments. At the minute, such payments exist to see people through periods when their benefit is not paid. The proposal is for hardship payments to become loans. We just do not think that this is acceptable. We take issue with the fact that if someone's benefit is stopped their hardship payment will be a de facto loan. This is a huge deviation from the current set up and is unacceptable to us.

I want to touch briefly on the proposal to reduce receipt of the contribution-based ESA to a year. Chair, you will know that we raised this point when we were here in December. What will happen to people who pay into the national insurance scheme all their working lives? We still cannot understand what will happen if, after 30 years of paying in all that money, someone becomes ill but gets only a year's benefit. Where is the money going to? Who is telling those individuals that they are investing in a welfare state and in a future that they will not be able to take up? That is a massive issue for us. Where is the money going? Whose idea was it to dismantle the national insurance scheme? Why does nobody know about it?

We have trade union members who are postmen and women, refuse collectors, and others who do heavy duty work that means, in the future, they may be ill with back problems, or whatever, but who will receive only one year of all the money they invested in the national insurance scheme. We are asking you, "Where is that money going?", because we cannot get answers anywhere else. After contribution-based ESA has been paid for a year, if the partner in the household is working, the sick person will receive no money. Roughly £6,000 a year will be lost. When we talk about money coming out of the economy, that is what we are talking about. The economics is the clear bit. It is about what will happen to children and sick people in such households if this happens. That is the reality of what is contained in the Bill.

I will finish very briefly with the clauses on child maintenance, starting with clause 121. The child maintenance and enforcement division in the Civil Service protects children and ensures that child poverty does not increase. You will know that the Northern Ireland Assembly discussed child poverty in October. In Northern Ireland, 122,000 children have been identified as living in poverty. The figures are staggering. Save the Children has made comments such as, "If this Executive does not do something about this, we will be in a crisis with child poverty."

Due to the changes to child maintenance, we are concerned that private agreements will have to be reached between parents. These are parents who quite often, because of the breakdown in a relationship, do not have any discussion with each other. How can they possibly come to a private agreement? Regardless of whether they do, who will be impacted? It will be nobody other than the children. The poverty strategy that the Assembly is working on has been tasked to reduce child poverty by half by 2020. That will simply not happen.

People will also now be charged for using the Child Support Agency. Given all the other implications of the Bill, we wonder how, if fees are introduced, anybody will find the money to go forward and ask for help for child maintenance collection. The private arrangements and the privatisation aspect are also big worries. Our members in the Civil Service, across the Social Security Agency and the child maintenance and enforcement division, are best tasked to deal with people in distress and poverty. Part of the objective is to get children out of poverty.

Mr Derek Thompson (Public and Commercial Services Union): First, I would like to make some general comments about the Welfare Reform Bill on behalf of the Public and Commercial Services Union (PCS). PCS is utterly opposed to every aspect of the welfare reform agenda. We agree that the welfare system needs to be reformed but not in the manner outlined in the Bill. We believe that the Bill is almost draconian. It is nothing more than a systematic attack on a class and on generations.

If this attack goes unchallenged, it will marginalise and impoverish millions of people in society and thousands here in Northern Ireland. This is one of the reasons why I have come here on behalf of the PCS. I represent the PCS nationally. I have been having meetings about welfare in Westminster and in the Scottish Parliament. We are asking people to look at the direct impact on communities and on the people you are elected to serve. I will touch on some of the stuff that is specific to Northern Ireland as I go along.

I am here, primarily, to discuss PIPs, which will replace DLA. Their introduction will see a 20% cut in DLA. That has a monetary value, which I will touch on later. There are questions that we should always ask ourselves. Why was DLA introduced? Who benefits from DLA? Why is it needed? If you think that disabled people have the same advantages as those who work, you are mistaken, and I will cover some of that later.

The mobility component is designed to support people. One of the things that we looked at was the success of the Paralympic Games. A lot of the athletes who took part in that said that DLA was a major component in allowing them to go through their life and take part in their sport. The mobility component allows people to leave the house on a regular basis, to socialise, and to have some form of life in the community. That will be taken away in some way, shape or form.

Maria touched on the issue of mental illness. Northern Ireland has particularly high figures in that regard. As we know, it probably has the highest figures for post-traumatic stress in the UK. These people will be disadvantaged by this process and the 20% cut. One of the things that has been missed in respect of the introduction of PIPs is how it will be managed through the benefits system. My understanding is that we are quite close to being able to deliver new claims across the benefit system but that we will not be able to deliver in respect of change of circumstances. How many people with mental illnesses and some physical illnesses will be able to use the online systems that are available to them? Where are they going to go when the different aspects start to come through? We need to look at that.

One of the key aspects that the Committee should be looking at is this: who has the authority to make decisions on behalf of disabled people claiming PIPs? I urge people to look at the disaster that is ESA just now, the referrals that go through Atos, and the horrific nature of what Atos puts people through. I am not blaming those who work in Atos or those who work in the benefits system. I am blaming the stipulations put on them by this Government to get more and more people off disability benefits and on to jobseeker's allowance or ESA. There are false figures. They are massaging the figures to try to get rid of some of those targets that are out there.

It is crystal clear that we need to work on the assessment process for PIPs. I would like accountability for that to lie with the Department. A strong case has to be made for every decision on somebody's benefit entitlement to be taken by a decision-maker who is sanctioned by the regulations that are in place rather than for those decisions to be taken at the behest of an Atos adviser who is looking primarily at a profit in some way, shape or form for the number of people they get on and off benefit. The number of people they disallow is profit-driven. There has to be some kind of control over that. As a Committee, you need to make sure that that is built into every single stage so that authority to decide someone's entitlement to PIPs lies with a decision-maker who is employed by the Civil Service and who is sanctioned by the regulations to make that decision.

Having a history in the benefit department, I say that there needs to be some form of accountability to the Assembly as well. One of the key things that you have to look at is reviewing the process on an ongoing and regular basis. You have to see how many people are coming off benefits and how many have failed to have a PIP claim accepted. Then, the key issue that you have to look at is how many

people appeal those decisions and how many win their appeals. This is my real fear about the introduction of PIPs. Appeals under ESA have jumped through the roof. The majority of people go on to a lower rate of benefit or lose their benefit completely, but win an appeal six months later because the decision is found to have been fundamentally flawed. We are opposed to that, as I said, but the issue is not about that: It is about getting this right from the very start and ensuring that people are protected as much as possible.

I will be open about the evidence that we have received about the Atos assessors. Sometimes it is almost a case of, "Welcome. What is your illness? That is fine. Away you go." There is no real assessment being made. People are not being trained properly. Sometimes they do not even see a proper doctor but rather a nurse or an assessor. Who trains those people? Who employs them? What accountability do Atos employees have? We need to get a guarantee about that before the Welfare Reform Bill is set in stone. We need a guarantee that those who are making assessments on people's lives are properly trained to carry out that function. I hope that you will try to get that guarantee.

Control must rest with the Department: that is the key principle for us. The failure of private provision of welfare is legendary. We are dealing with people's lives and prospects, but privatisation is creeping in. Surely, the object of a civilised society must be to put people before profit and support them. The PIPs will lead to further barriers for those who are looking to get into long-term employment. Let us be honest: there is not an even playing field when it comes to disabled people looking for employment or disabled people getting support. There is a number of reasons for that. One of the reasons that DLA was created was that it brought down some of those barriers and gave support.

We now have a process in which people who are disabled go out of work, and who, under whatever assessment is needed, lose their benefit. How will they fare in the job market if they are up against an able-bodied person? Which person is an employer more likely to employ? The disabled person will need the support that has been withdrawn from them. They might need reasonable adjustments in their workplace that have been withdrawn under the coalition Government's rules on employment law. Those are all barriers to people who have disabilities getting into work and ensuring that they continue to be supported.

The savings outlined are around £23 million in the first year and £64 million in the second year. Those figures are a drop in the ocean in benefit terms. They are nowhere near the current figures for unclaimed benefits. So, where is the programme that will get people who are entitled to benefits to claim them? We should also be looking to minimise the disruption for the disabled person that PIP threatens to bring about.

I will sum up by saying that you need to try to ensure that there is fairness and transparency in the process; keep as much control as possible over the outside providers and GPs who are making the decisions to ensure fairness, and ensure that the Department has overall control over those decisions. This is about bold choices. I said that at the hearings I attended in different places. There are choices to be made by everyone in this matter. The general Westminster drive on welfare reform is there, but I believe that every Assembly has its own way to go.

We have seen the demonisation of people on benefits, of those on disability benefits, which I think is a shameful approach. Almost a shock-and-awe tactic has been used, and, from that, we have seen a rise in hate crime against the disabled as well. How do people feel when they are coming off disability benefits or are losing benefits every week? They cannot go out into society anymore. They cannot get jobs that they feel they can go through with.

I urge you to oppose welfare reform in any way, shape or form that you can. I know that you may feel that you are not in a position to do that. Along with other trade unions, we will soon be campaigning massively against the welfare reform agenda; not just against what is coming in now but opposing further cuts that we know people will face in the future. We need to make stark choices as a society on a number of issues, but, on one of them, the Committee and Assembly have the opportunity to draw back from some of the Bill's more draconian measures and make sure that disabled people get their proper entitlements and benefits and that a proper support system is in place for them.

The Chairperson: Thank you, Derek.

Ms Pauline Buchanan (Irish Congress of Trade Unions): Congress is worried that there has been no human rights analysis of the Bill and its potential implications. Northern Ireland's culture and structure is left over from the Troubles, and I do not think that we can move away from that fact or

pretend that it has had not had a major influence on the welfare system. The benefits system cannot possibly sit on its own, away from that structure and away from past influences.

Congress also believes that the Welfare Reform Bill cannot work in these recessionary times. Let us have a look at it if we have the jobs to go round, but we do not have them. What we have at the minute is temporary employment, job insecurity, and zero-hour contracts. Put simply, we have no work. We believe that there are not the structures to support the Bill, and we ask you to look strongly at that aspect.

We also believe that the 20% cuts in DLA and PIP, as outlined by my colleagues, are driven by figures rather than by people or the society in which we all want to live. We are deeply concerned that major cuts will be made in DLA, contribution-based ESA and lone-parent conditionality. Those are three areas that particularly concern us. I reiterate that there are high levels of socio-economic deprivation and a higher reliance on the welfare benefits system because of the Troubles. For people with disabilities, the proposals are based on a medical model of their having need and requiring treatment, rather than on the social model that we should have, and very much work towards, of inclusion and participation.

Women will be affected greatly. We all know, and have heard it again from my colleagues, that women are more likely to be carers and have the bulk of childcare responsibilities. We ask that you consider whether the lone-parent conditionality and other cuts that will affect women, because they are more likely to be on means-tested benefits, amount to indirect discrimination under the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW). Again, for women in particular, but also for those with disabilities and in marginalised groups, there are no childcare structures to enable access to training and to gain employment. The fact that they are simply not there must be considered as well.

Under sanctions, which Maria covered, we ask whether there has been full equality. Has there been investment in the areas that there should have been? Is there full equality for those with English as a second language? Through research that has been done here, we all know that there are high inequalities and high rates of illiteracy, and we need to put a lot of resources into essential skills. Are those people starting on a level playing field? There has been major underinvestment in people with learning disabilities and there is no childcare structure. There have been inequalities in investment in the past that will very much affect those who are under sanctions and conditionality.

Through research, we know that the key inequalities, coupled with welfare reform, will have a major impact on those who are most vulnerable. If we look at our education system and link it to welfare reform, a lot of people here leave school without qualifications, and that can lead to a lifetime of poverty — it starts off with child poverty and it can lead to a lifetime of poverty. Future poverty is linked to educational attainment, and I think that we need to look at that.

At this point, it is also unclear what the impact of passported benefits will have on welfare reform and what the impact will be on those who lose their benefits. Will they also lose free school meals and uniforms? We also do not know what the impact will be on those who have always found it difficult to obtain work, for example, those in the Travelling community and looked-after children.

Maria covered a bit about employment in her discussion of clauses 13 to 30, and we are very concerned about the move to three-year sanctions. We need to consider all the aspects that make up employment here, or non-employment as there is at the moment. There is no job security, and we need to look at where workplace locations are and whether they are accessible to everyone and at harassment. Those can be major issues for people who leave employment, and those who voluntarily leave employment or who are dismissed face being placed under sanction for three years.

Harassment is a major issue in the workplace, which may mean people having to leave their jobs or being dismissed, perhaps unfairly. We deal with lots of grievance and disciplinary cases, which then go into the system. They can be because of race or whether someone is lesbian, gay, bisexual or transgender. They can also be because of sectarianism in the workplace, which is an issue that we all know that we need to keep looking at and putting resources into. We also have zero-hour contracts and all sorts of insecurities. Workers need the safety net of a social security system, and that is not going to be there for them. If it is taken away, we expect to see a rise in exploitation. People will not challenge their employers: if they are being harassed in the workplace they will be afraid to leave the workplace and will not challenge in case they lose their jobs. They will then face three years of absolutely nothing. We are very worried that there will be a rise in exploitation, sectarianism, racial harassment and many other issues in the workplace.

It has been well documented that there is poorer access to training and employment for women. One of the major barriers to women's participation in the workplace is caring. We all know that we are becoming a more ageing society and there is also the issue of childcare, which is also crucial.

For those with disabilities, trying to access the workplace is a major issue. The key barriers for people with disabilities are education, attitudes and transport. One of the major issues in the Bill is the removal of DLA and mobility allowance. That will mean that people with disabilities will not be able to access the workplace.

Alison covered all the issues about housing, such as the availability of housing and shared housing. We also want to raise the lack of suitable housing for those with disabilities to live in supportive environments. There will also be major issues for looked-after children, such as whether the parents of children in care will be able to have their children come back to them or to come home at weekends. All the issues around looked-after children are very unclear. We want to live in a social model for participation, and I think that the Welfare Reform Bill is going to roll back on that.

We also feel that the contravenes section 75 of the Northern Ireland Act 1998. We are worried about its impact on CEDAW, which was ratified by the UK Government in 1986 and its impact on the UN Convention on the Rights of Persons with Disabilities, which was ratified by the UK in 2009. There are other pieces of law, such as the European Convention on Human Rights, on which I am not an expert, but we have major concerns that the Bill will contravene them.

I want to tell you a personal story. I was raised on benefits. I was born in the 1960s, when there was no work. I was in receipt of free schools meals and my mum and dad were in receipt of benefits. I had a brother who was not as robust as the rest of us, and one of the things that I remember as a child was my mum sending my other brother for a bottle of over-the-counter medicine, and, as he came through the door, he fell and he broke it. To this day, I can see her kneeling down over it crying, because there was no more money. We have built a society to move away from those days and to move back towards that is just unacceptable. I would never want another family to have to go through such a thing.

We believe that there is mitigation for difference. There can be a stretching of parity, and that must be sought because of the special circumstances in Northern Ireland.

Some of the examples that I have given you of where people are most vulnerable were taken from the reports of OFMDFM's promoting social inclusion disability working group, the Joseph Rowntree Foundation, DENI databases and 'Care Matters'. Thank you.

Ms Millar: Chair, I just want to give a very brief run-through. It has been said by a number of people that a Bill that considers only the cost — we looked very much at that issue — is not acceptable, particularly if it does not look at the social impact. If it does not do that it must be a flawed Bill.

Many people in Northern Ireland will live with the consequences of the Bill. You, as a, Committee and the Assembly owe it to those people to take the time to get it right, and to ensure that we can live with its consequences from a social point of view. I do not think that the public quite realise what is coming down the road, and I think that a division has grown up between in-work and out-of-work families. In particular, families who are in receipt of tax credits do not see themselves inside the benefit system, and I think that it will come as a huge surprise to them.

To sum up some of the issues that we have touched on today; as a society, Northern Ireland as a whole prides itself on having strong family values, but we are different in a number of respects. There is no childcare strategy; we are coming out of a post-conflict situation with segregated housing; we have more DLA claimants as a result of the conflict and we have a greater proportion of larger families — I spoke earlier about the 870 families we have with five or more children, and that is just families who are in receipt of income support. We also have higher levels of unemployment and those levels continue to rise month on month. We are certainly not out of recession.

In summary, this is about choices for the Committee and the Assembly. We welcome devolution, but with it comes responsibility. We implore the Assembly to make the right choices for the society of Northern Ireland and for the workers in that society. This will create a generational change, and we will have to live with it, potentially for a generation or generations to come.

Ms Morgan: I do not need to tell you that the Tory millionaires will never need to use the welfare system. They will never need to use the education system, which is why they are privatising that and the health service. I do not need to tell you what the pain that they are inflicting on communities will be like.

The Chairperson: I thought that we were all in it together.

Ms Morgan: Yes. You will all know from your constituency offices the type of people who come through your door. I was speaking to a community worker last week, and 800 people who are in absolute despair are coming through her advice centre. So we would like the Committee and the Northern Ireland Assembly not to allow themselves to be bullied by the Tory Government into introducing cuts that will result in destitution. Suicide rates in Northern Ireland have increased; it is all there in front of us. If the cuts are implemented, there will be no turning back. We believe that the Assembly can make a difference, and that is why we are here today to say that there is harm in the Bill. There are issues with parity, and there will have to be difficult discussions. Some things will cost money, and we understand that that it is difficult, but we ask you to tell the Westminster Government that there are some things that you just cannot implement. If you do not do that, they will not be Tory cuts but Northern Ireland Assembly cuts. We ask you to consider alternatives where you can, and the trade union movement will work with you as best we can on that.

The Chairperson: Thank you all for your very comprehensive contributions so far. It has been a good engagement. I need to step out for a moment; I will back in a minute.

Mr Copeland: Very wise, Chair.

Thanks for your presentation. I have a couple of points, largely related to what Alison said at the start, and I will take them in the order that I noted them down, which is not chronological. You commented, Alison, that you had spoken to people in social services about the bedroom tax, single room rate, or whatever you want to call it. Is it your view that the lack of a separate bedroom for a child visiting the non-resident parent would, in a court, militate against access rights being granted for overnight stays?

You referred to the 40,080 and the 22,156 people in housing stress. It is my understanding that those are the numbers of applications as opposed to applicants and that, if that number was extrapolated on the basis that there could be two, three or four people per application, the number of people involved could approach 100,000, as opposed to the lower figure of 40,000 applications.

Lastly, may I ask a general question? Years ago, I found that, if you wanted to know what was really happening, you did not ask a general, major or even a sergeant, you asked a private — people on the front line. A lot of the changes will fall on your members, Maria. Are you picking up any sense at all that the Department knows what it is doing?

Ms Morgan: Are you looking to get me into trouble?

Mr Copeland: It is a straight question. I have day-to-day communications with a large number of your members who work on the front line with people who are, as you said, sometimes aggressive. I wonder how we discharge our duty of care towards the people who, day after day, have to listen to absolutely heart-wrenching stories, yet the legislation is similar to the advert: "Computer says no". How do you protect psychologically the people who have to relay those decisions? I have a deep suspicion that this will all come wrapped like a Christmas present: you will open it and probably not like it, but you will have to deal with what comes out of the box. I am curious about how the preparation for and recognition of the significant changes are affecting your members.

Ms Millar: I want to be very clear that we are not suggesting for one minute that there are issues of child abuse with all non-resident parents. However, you asked a question about a separate room for a visiting child. As I understand it, the courts, when deciding whether to grant access, consider all arrangements for the child, including where he or she will sleep.

The housing stress figures are the number of applications. They represent not 40,000 or 23,000 people but the number of applications. Each could represent a single-member family, or a six- or seven-member family.

Maybe I will duck the question of whether the Department knows what it is doing. On a day-to-day basis, I have responsibility for looking after our members in the Housing Executive. I regularly hear stories of homeless people coming in and saying, "Here are my children." On occasion, parents have

left their children in a Housing Executive office, saying, "You look after them because we have no money left, and we are now homeless." Does the Department know what it is doing? I hope that it does.

However, the fact is that front line staff, both in the Social Security Agency and the Housing Executive, face the reality of people at their wits end coming through the door. They have no money left or have been declared homeless, and they do not know what they are going to do. I am sure that these people come to your constituency offices regularly. You do not need me to tell you the horror stories; you have heard them yourselves.

Ms Morgan: May I answer that question in another way? When NIPSA meets the Department once a month to discuss universal credit, we deal with the policy issues, but we are also supposed to deal with the HR aspects. However, there is currently no detail at all of what our members will be expected to deliver in the future. I will put that in context: I do not think that the people whom we meet have that information. It is very worrying for our members. This is all happening in the background. The very HR people who are expected to make this work have no detail at all.

It helps that the introduction of universal credit has been put back to 14 April. Maybe a whole lot more of the reform should be put back. In the Department, the management side that we deal with has been given an unrealistic time frame. This is an Act in Britain, but we are only looking at the Bill now, and yet the timetable is the same. That is wrong, and our submission refers to the time constraints being imposed on Northern Ireland. They do not allow us to do what we need to do. The legislation is being rushed through by Britain in an unrealistic time frame.

Mr Durkan: Thank you for your presentations. You have raised many issues with which we are, unfortunately, all too familiar. Many more are raised in your written submissions, and I look forward to studying those in my own time and in more detail. However, it is important that you know that the Committee has resolved to address these issues as best we can.

Maria raised the issue of equality, and that was reinforced by Pauline. The Bill is, in my opinion, disproportionate in its impact on women, older people and people with disabilities. Last week, the Chair tried to invoke Standing Order 35, which would have meant an equality proofing of the Bill. It is my understanding that the Equality Commission will give evidence to the Committee tomorrow. I wondered whether you, as unions, had sought its advice. What actions lie within the commission's statutory power and obligation?

I will ask Alison a question about the outline business case, which is important to me. Alison, you received that from the Department, I presume?

Ms Millar: Yes.

Mr Durkan: I attempted to acquire the same document from the Department but was refused it. That is completely unacceptable. During the debate on Second Stage a couple of weeks ago, there was quite a lot of talk about job losses, but they were job losses that would occur if the Bill was not passed. I have, as yet, been unable to find one scintilla of evidence of any mention by, or communication from, Westminster saying that that would be the case. However, when I asked the Minister in that debate how many jobs might be lost as a result of the imposition of universal credit, he said that my question was incomprehensible. I do not know how we are expected to fulfil our scrutiny role properly if we do not have sight of that same business case.

Ms Millar: On the matter of the equality elements being disproportionate and the question of whether we had sought advice from the Equality Commission, it is our intention to meet the commission, but, as I explained earlier, there have been time constraints. We have been burning the midnight oil to ensure that we were prepared for coming here and that we got our submission in. It is our intention, under the umbrella of congress, to have meetings with the Equality Commission and the Human Rights Commission to tease out further some of the equality issues.

We refer to the outline business case in our submission. We received it a number of months ago on a restricted basis. We have not released the detail, but the high-level figures that it contains highlight the fact that, between now and 2017, the loss of 1,600 full-time equivalent jobs are projected. That makes sense if you look at all of the elements: six benefits will merge into one; and, taking the Bill at face value, much of the administration will be online, so fewer staff will be needed to deliver benefits. I think that there is, perhaps, some disquiet in the Department about our referring to that in our

submission. I press the Committee to ensure that you have all of the information in front of you to allow you to make decisions.

Ms Morgan: Although we welcome the fact that we have that information, because the Department has an obligation to consult with the trade union side, I find it very odd that we have information that the Committee does not have. You need to make decisions on the basis of the information that might be held in that business case.

Mark, you made a point about using Standing Order 35. We would have very much welcomed an equality and human rights approach to the Bill. That is on the basis that it contains issues that we believe contravene equality legislation, particularly the reference in section 75 to the nine categories. We also believe that it contravenes human rights on the protection of children, the Children Order and CEDAW, which is the UN convention that Pauline mentioned. We will let the experts on the Human Rights Commission deal with that. However, even if the Committee does not invoke the Standing Order, it needs, in our view, to have an eye to international and domestic law and consider whether the Bill flouts or contravenes any of that.

Mr Durkan: It is my understanding that the Equality Commission has the power to scrutinise the Bill. Should it identify issues under section 75 — I would be surprised if it did not — the Department will have to respond.

The Chairperson: We look forward to listening to the Equality Commission and the Human Rights Commission tomorrow. As I said in my opening remarks, parties have engaged in bilateral meetings, and I know that colleagues were with the Equality Commission and the Human Rights Commission some time ago and engaged with them directly on that. I have referred to that publicly in some of the debates, so, clearly, there is a range of concerns.

Mr Brady: Thank you for the presentation. The spectre of privatisation hangs over all of this. In the previous mandate, Fra and I were also on this Committee. As far back as 4 June 2007, the initial stages of welfare reform were being rushed through by accelerated passage. At that time, we were told by the then Minister that up to 40% of the Social Security Agency staff could be lost. That was five years ago. We then had the strategic business review, the name of which was changed to Customer First, presumably because it sounded better, although it was basically the same thing. Fra and I proposed an amendment to delete clause 16, which provided for the privatisation of services. At the time, we were told that that would never happen so the clause did not need to be deleted, and the proposed amendment was voted down in the Assembly. Interestingly, a couple of weeks later, the medical support service was privatised, and there has since been a continuous roll-out of that. That is one of the issues.

I said this morning and will do so again that the Bill is not an attack on poverty; it is an attack on the poor. Keeping that in mind will focus people's minds. We could go on about the Bill all day, and I have gone on about many issues. However, I want to address two issues. The first is the one that Derek raised about Atos and the PIPs and ESA assessments, which have turned out to be an unmitigated disaster. You said that such assessments should rest with decision-makers and not some nurse or so-called health professional. I mean no slight on nurses and the wonderful work that they do, but there are certainly questions to be answered about the box-ticking exercise involved in some assessments. It may sound simplistic, but surely medical evidence should have primacy if someone's situation is predicated on their medical condition, which is the case for DLA claimants. You mentioned, and Fra has said on many occasions, that people on benefits are being criminalised. We have the "Nolanisation" of people on benefits here, whereby we hear all kinds of nonsense about people driving around in motability cars to deliver pizzas. Yet, the Government's own figures estimate benefit fraud to be less than 0.01% and show that fraud in general is going down. Those are departmental figures. It is almost as if, as I have said before and will continue to say, the Social Security Agency is some kind of charitable institution that altruistically gives people money — they are in fact, legally entitled to that money. It seems to me that the decision-maker should have the medical evidence that is available to the assessors, but has been ignored by them in all the cases that I have dealt with recently and in many years past. What are your thoughts on the decision-maker having that evidence?

My second point concerns conditionality and sanctions. As we have been going through the clauses, the Department's officials have told us that much of the Bill is predicated on guidelines that will be given to staff. If staff have discretion to accept what is now to be changed from "good cause" to "good reason" — as mentioned, I think, in the Irish Congress of Trade Unions paper and NIPSA's — people

do not have to be sanctioned. That flexibility is there. Obviously, people foresee a difficulty concerning something that you could perhaps clarify: has there been any discussion about the nature of the guidelines? If you are to have a sanctions-led regime, which is what universal credit under welfare reform is all about, what is the position in relation to targets? The Department is breaking targets, including those on appeals. How will staff cope if their using discretion means that targets are not met? You made the valid point that people will become irritated and that there will be more "violence" against staff, which I think will eventually become a big issue for them. How do you think that conditionality, sanctions, the guidelines and the primacy of medical evidence might be addressed? Getting those right may solve the problems of ESA and the change from DLA to PIP.

Mr Thompson: Chair, I did not join in the last debate because it was primarily about Northern Ireland, and I wanted to allow my colleagues to have their say. On a national basis, does the Department for Work and Pensions (DWP), the Social Security Agency or HMRC know what they are doing? No, the fact is that they do not. Over the water, they do not know what they are doing, and my fear is that the mistakes in Britain will feed into here if we do not get it right.

We have heard welfare called a multibillion pound business. There is money to be made by going down a sanctioning route and introducing more draconian measures to get people off benefits. People get rewarded for doing that. A while back, a pilot involved handing over unemployed people to a private company, and if the company got an individual into work after one week, it kept the rest of his or her benefit for that year. Where is the incentive for getting people into good employment? Those ideas are, I hope, going away. Privatisation and targets under welfare reform need to be dealt with, as does the impact on our members, civil servants and the public sector.

Wages are going down dramatically in public civil services. Pensions have been attacked; terms and conditions will be attacked. For a start, that means a demotivated workforce. The only reason for the changes is to facilitate privatisation. A private company will not want to come in and take on employees on good pay, good terms and conditions and good pensions. It will want to take on what is cheapest.

I was an ESA decision-maker a while back, and, at first, I based my decisions primarily on medical evidence. However, when the system started to change and more work capability assessments came in, I got into trouble with my manager, who said that I was making too many favourable decisions. There is a real pressure on staff not necessarily to make adverse decisions but to look at the evidence more strictly in view of the targets. What happens in different places is that, if a member of staff is not making enough adverse decisions, he or she is placed into performance improvement. So there is a real fear factor among staff that, if they do not carry out that instruction, they will face disciplinary action. Primarily, the targets are not departmental but ministerial. There has, in general, been a politicisation of the Civil Service, and I am representing the entire Civil Service here. Departmental heads no longer have the authority to bring in change in the way that they want, which might be in a different way or more slowly. It has been ministerially driven that the changes must happen in a certain form and that the cuts must be made by a certain time. Targets are a major factor in that, and, particularly for Atos, there is a financial impact.

Mr Brady: My next question relates specifically to Scotland. A couple of weeks ago, in Lanarkshire, Atos had a contract, which it then re-contracted back to the local health authority. So a statutory agency gave money to a private agency, which then gave it back to the statutory agency and, presumably, made a lot of profit. Do you see that being a feature of privatisation?

Mr Thompson: Absolutely. With the introduction of Workfare, people were being forced into working for private companies for six, eight or 12 weeks. Let us be frank: that is state-funded free labour. Private companies get benefit claimants for a six-week period of training, and they stack shelves in ASDA or B&Q. The companies do not pay wages; the Government just pay benefit, which is less than the minimum wage. We pay private companies to do that, so where is their incentive to create jobs? How will unemployed or disabled people have an opportunity to get jobs when there is an unemployed workforce who can do it? Companies are not investing and not creating jobs. That is creating more unemployment, which is creating bigger hazards. As a result, taxation is not being upped and the welfare benefit bill is rising. That is why they want to push through these radical reforms, which are only about cost, not about society.

Mr Brady: Before we move on to the guidelines, there was an item on the radio this morning about a report that has been published on people having a reasonable income for their lifestyle. It worked out the amount required at £7.20 an hour, whereas the minimum wage is £6.19 an hour. The other point

that was made, which is absolutely relevant to what we are talking about here, is that the situation is much worse here in the North. More people depend on the minimum wage, and there are more working poor, or whatever the terminology. Interestingly, the report states that to have a reasonable or decent standard of living, people should get at least £7·20 an hour, which is £1·01 above the minimum wage, which went up by 11p only three weeks ago. That is the kind of thing that will affect getting people back to work. Ours is a minimum wage economy.

Mr Thompson: All unions have signed up to and are trying to push the Living Wage campaign. For general interest, the Scottish Government, along with PCS and others, have signed up to become Living Wage employers. That has been very successful in retaining staff.

Mr Brady: When you get independence, you can sort all that out.

The Chairperson: You dealt at length with the question of targets. The Department has been adamant in its assurance to the Committee that there are no targets. If I heard you correctly, you said that they are not departmental targets; they are ministerial targets. Will you, as a former decision-maker, tell me how that might work? If that is the case, I will be absolutely infuriated, and I will deal with the Department, because this is an ongoing discussion between us at Committee Stage. As a former decision-maker, you are telling me that there were targets.

Mr Thompson: Yes.

The Chairperson: How did that work? I am trying to deal with a Department that comes here and says that there are no targets, and you are telling me, as a former decision-maker, that there are. Will you tell me how that works? Somebody's head will roll on this one.

Mr Thompson: Decision-makers will be told that every case is to be assessed on its merit and the basis of medical evidence, but the expectation is that 20% of cases will not fall into the right category.

The Chairperson: Who tells you that?

Mr Thompson: That is in the guidance, and that is the expectation. How that is managed in Departments, offices and systems is very straightforward. An individual member of staff has a live load of x people, and, as 20% of them should fall into that other category, the pressure is on. So much is now micromanaged in the benefit system. If you have 10 cases a day, you would expect two of them to fall outwith the category. Therefore, two of them will, perhaps, be disallowed.

The Chairperson: So the Department officially and publicly states that there are no targets, but you are telling me, as a member of the trade union and former benefit worker, that staff will be told to do something that the Department denies.

Mr Thompson: When you do not do it, you face disciplinary action. Although they say that there is no specific target as such, putting a certain percentage into your work objectives or into the strategy means that you are measured against that as part of your overall performance. What used to happen is that you would put a distribution cover on your decisions. You would say that one person was really unwell and another was not quite as unwell, and that is how they fell into the carve-up of decisions. That is the reality.

The Chairperson: That is fair enough. The reason that I am pressing you is that we will take this up with the Department again. I am being told publicly and legally by a Department and a Minister that there are no targets, and someone is telling me that there are targets. Somebody needs to show me the guidelines that specify the 20%, meaning that staff have to knock back two of 10 people every day. If that is what you are telling me, I need to see that guidance, because that is a serious allegation.

Mr Thompson: I would ask them to show you the guidance.

The Chairperson: Tell me where it is, and we will ask them to show us the guidance. We will not be denied sight of any guidance. The point that I am trying to make is that the Committee is being asked to deal with something new, yet the process that you outlined is under way. It is not about what might come in as part of the change from DLA to PIPs. You are telling me that this happens today, so I need to establish whether that is correct. Do you get my point?

Mr Thompson: Yes, absolutely.

The Chairperson: Clearly, that cannot be acceptable. You say that there is a fear factor. If there is that fear factor, I suggest that the trade union needs formally to identify that. We will have to get to grips with this. I want to see the facts and the evidence. We will take serious issue on this matter, because it has concerned the Committee from day one. Being told this by a person who has done the job gives us serious cause for concern.

Mr Brady: I want to make a point about targets. When I worked in the voluntary sector, I did a lot of appeals. From the appeals, the Department worked out that people had good targets. If people had a heavy caseload, they picked out a case that could be heard within, perhaps, three weeks, which was OK. However, any cases that had to be heard within the next week were put to the back of the box. So they did the cases that they could cope with within a fortnight. I was told by several people that there were good targets and bad targets. The bad targets were put to the back of the box, but they would come up eventually. It is ongoing, and it has always been the same. That happened when I worked in the Civil Service 35 years ago.

The Chairperson: We have to grapple with the fact whether people are saying that, in their mind, a person is legitimate but, because of some target over their head, they had to knock that person back. I have to say that that is a very serious suggestion.

Ms Millar: We will provide that to you, Chair.

The Chairperson: That would be very helpful. I would appreciate that, Alison.

Mr F McCann: Thanks for the presentation. The more you read into all these presentations, the worse it gets. I understand perfectly what you are saying; it would be useful to set out some of the detail, but I think that that will be in the regulations coming down the road.

I have a couple of points, the first of which Mickey raised. Two recent TV programmes covered the targets set for Atos. Both programmes laid out quite clearly that Atos was expected to go in a certain direction. We have certainly been looking at that issue.

Mickey is right: from 2007, our party tabled a number of amendments to motions and tabled three or four of our own motions in the Assembly, which were defeated. We have had debate after debate in this Committee. Although the general opinion is that this welfare reform will have a detrimental impact, not all parties have the same stance on the direction in which it is going. Two weeks ago, we tabled a reasoned amendment, which clearly laid out some of the key issues that you have brought up this morning, but that was defeated. Last week, we had a motion under Standing Order 34. That resulted in a tie with one abstention from the Committee. Although there is a general belief that this welfare reform will be detrimental, there are different opinions on how it should be handled.

I wanted to pick up on a couple of things that have already been raised. The Department for Employment and Learning (DEL) will also be impacted. Last week, in the Committee for Employment and Learning, I raised questions about the people who will be moved over to work-related support groups and activity groups. The question that I posed to some of the officials — this is my difficulty — was the fact that it is possible that thousands of people will, over time, be lifted from ESA or incapacity benefit and put onto those work-related groups. That will be another pressure on top of the pressures under which people are already trying to deliver. The Committee for Employment and Learning has been told that staff will be able to cope. Some of the people who are being moved across suffer from severe mental illness or severe disability. There is a fear that the system or the people who run the system in offices will buckle under the pressure of trying to deliver that. I do not whether that is an issue that you have raised, but will you comment on it?

I want to pick up on something that Mark said. Maria, you and I spoke a number of years ago about the intention to cut a quarter of the Housing Executive's workforce and the issue of additional jobs. I know that that has been raised. The Human Rights Commission and a number of other groups that we have heard from are considering taking legal action on a number of aspects. I know that there is probably a broad group of people who regularly sits down to discuss this. Is there any design to say that this works against people's human rights and against equality? In the trade union movement, is there any intention to take some type of legal action? Another thing that concerns me — I have raised it a number of times and during the presentation this morning — is that, when the poll tax was

introduced in England, Scotland and Wales, hundreds of thousands of people came out onto the streets, yet I have not seen anything like that number of people now. Somebody said to me that it was probably because the middle classes were impacted by the poll tax, but I am a wee bit concerned that you did not have mass movement in what is the biggest change to the welfare state. That is a problem.

What is your opinion on parity? There is a difference of opinion in the Committee on how far parity should be taken. I am interested in that.

Maria, I was concerned by an article in the 'Andersonstown News' on Friday about a group going into offices and advising workers. It will mostly be your members delivering that. What is your opinion on that? Some people have raised concerns about the impact of that.

That will do for a start.

Ms Millar: Do you want me to take a couple of points?

The Chairperson: Sorry, Sammy is looking in.

Mr Douglas: Thanks very much for the presentation. I have a couple of points that link with what Fra said. The first point is about Standing Order 34. As I said at our last Committee meeting, we were assured in the Assembly by the Minister that he had taken legal opinion and was happy enough with that. So, like Fra, I want to ask: will you be looking for a judicial review, as some people had suggested?

Maria, you talked about choices and responsibilities. It goes back to Fra's point about parity. I was at a Unite conference a number of months ago, and people in the audience asked why we do not simply break parity, challenge the whole thing and not implement it. That is a big issue for all of us. In fact, Bumper Graham was here, and he said that, while he was not a great lover of parity, NIPSA says very clearly that parity cannot simply be breached. What is your response to that?

Finally, the papers state that congress responded to the previous consultation and availed itself of opportunities to make direct representation to the Minister and our Committee but regretted that the views expressed by it have not been reflected in the Bill. That is another criticism, not only of the Minister but of us as a Committee. Could you reflect on that?

The Chairperson: We did not produce the Bill. We are scrutinising it.

Ms Millar: Do you want me to deal with some of the points?

Mr Douglas: May I just say one more thing? You talked about the millionaire Ministers. I said that during the Second Stage debate on the Bill, and somebody said that some Labour people are millionaires. That might not change, which is understandable. You asked why do we not challenge this and plead for a special case. Do you honestly believe that the present Con/Dem Government — the Liberals and the Conservatives — will take any cognisance of us, even if the whole Assembly of 108 Members were behind that?

The Chairperson: Respond in whatever way you want to. You do not have to respond to all the questions, but I am sure that you will respond to most.

Ms Morgan: I will take a couple of the questions that are relevant to my area. Mickey asked about the decision-makers and discretion for sanctions. We have not had any discussion. The forum at which we meet the Department once a month has not looked at any HR issues, despite the trade union side seeking to get into that detail to try to understand the implications for our members as the workers. Mickey, I am very concerned that a big lot of discretion will not be able to be used. This is about getting people off benefit and into work, and when it is about that and about money and cuts, discretion goes out the window. Derek touched on the point that the Department should still be able to make discretionary decisions about people. That is notwithstanding the point that you make about the primacy of medical evidence, because our submission states that GPs may need to be paid if we need a report. We need to flesh that out. I know that there will be a cost to that, but it is about the medical assessors having proper and informed information, which might be medical evidence. The decision-

makers in the Department are the people who should do it, because they are not working for profit. I would say that discretion will go out the window.

Fra, you mentioned the impact on DEL. You are absolutely right. Current ESA claimants will become jobseekers. Our members in DEL and, indeed, in the SSA are already equipped because it is already happening. In our view, there are not enough staff to be able to spend adequate time with people who are coming off a benefit such as incapacity benefit or employment and support allowance to take time to talk to those people and find out their needs and then go to the labour market to see what suits them. It goes back to the old point that we are making that there are simply not enough jobs to facilitate the people who would work if there were a job for them. Your point is well made on some of the difficulties that will happen if our staff numbers are cut, as they will be. This is where some of the savings will be made. We have been discussing the matter of making a decision collectively to raise this as a human rights or equality issue. The welfare reform group at the Law Centre is a collective of the voluntary and community sector and the trade unions, and we are having our own discussion, as is the Irish Congress of Trade Unions. Anything that we will do will be done collectively.

Fra, you made the point that there was a mass movement against the poll tax, and I think that our difficulty here is the right-wing media. There is spin that this is only about scroungers. To be frank, when you talk about scroungers, you will get a whole lot of people who turn their back and say that, because it is not about them, they are not really that bothered. On 20 October, the three trade union centres of the Trades Union Congress (TUC) in London, the Scottish TUC in Glasgow and the Irish Congress of Trade Unions in Belfast held demonstrations. A big feature of that was, as you will have heard Peter Bunting and our president say, that further attacks are taking place on the working class. It is a class issue in our view. It goes back to Sammy's point about millionaires. I do not care whether they are Tory millionaires or Labour millionaires, but when they are telling us how we can and cannot spend our money, if you had the money, that is what it is about. It is about people who really are not involved in all the daily things that we do and what we see. That is the issue for us.

On parity, the Secretary of State and the Minister talk about having to have a discussion about rates of benefit. We do not even know what the rates of benefit will be. That is the problem in the detail. Even if we thought that it was great, when we get the regulations, it will be too late because the Bill will be in. If we cannot safely say today what the rates will be for PIP, for universal credit, for the children's allowance and for housing allowance, we are all in trouble. It goes back to whether we are doing this too quickly before we know all those details.

Sammy, you quoted a colleague of ours, Bumper Graham, who said that it must be parity "plus" and parity "warts and all". He also said that parity is a double-edged sword. No trade union and, I suspect, no MLA could say that they will take parity of misery. It is too important when it is about dismantling the welfare state. We know that you will have to have some difficult discussions in Britain. Taking your point, Sammy, you could go over and ask them to change it because of Northern Ireland's circumstances. I do not think that Northern Ireland is special. Northern Ireland is different. We are not special in the sense that we expect something that no one else has. On the day that the Assembly voted the Second Stage of the Bill through, the Minister said that Lord Freud had accepted that there are differences. So it cannot be selective. He cannot say that he agrees that there are differences but only allow us this bit and that bit. If that happens, all those people whom we have identified will fall through the net. They will walk into our offices or into your constituency offices, and what will we tell them? How do we deal with them? It is about getting it right. We believe and hope that the Northern Ireland Assembly and this Committee can look for an alternative to what is contained in the Bill. The Bill will not go anywhere near supporting those people whom we need to support.

Let me finish on this point. The difficulty that we all have is that the right-wing media and the Government in Britain have done a very good job of convincing people that this is about only a very small portion of the population. The majority of people who will be affected by the Bill are people in work.

The Chairperson: Maria, thank you.

Ms Millar: Parity frightens off a lot of people. A number of months ago, the Minister talked about stretching parity. What does that mean? We want the same rates as GB unless there is a specific reason why we should not have them. As Maria said, this is about Northern Ireland being different.

Sammy, you asked why there is not a mass movement against the Bill, as there was against the poll tax. Society has moved on, and we have very much moved away from collectivism to individualism. I will not give you a history lesson on that.

In April this year, my union undertook a leafleting exercise and a campaign among our membership about the issue of tax credits. People did not realise why it was hidden from them or how it was hidden; the issue simply was not out there. People did not realise that those in receipt of tax credits in April this year were going to suffer a significant hit. Certainly, our phones started ringing only when letters arrived on doormats that explained that people used to get this but now were going to get only that.

This leads us onto the issue of universal credit. It is said that no one will be worse off. People will not be worse off because they will have suffered all the cuts up until now. As a trade union movement, we would like to have people out on the streets, as was the case with the poll tax. The reason why people are not out on the streets is because, as Maria said, the media are putting a spin on the issue. Furthermore, there is a lack of information flowing from the Department and the Government on the Bill, which will have a detrimental impact on people. By the time the legislation gets through — we hope that you will have ameliorated the worst parts of it — it is almost too late because it will have already happened.

There have been lots of debates and discussions on the issue of corporation tax. You could argue that that is also a parity issue. If we can break parity for corporation tax, we can break it, or stretch it to the absolute limits, on many other issues.

I leave it at that.

The Chairperson: Thank you very much, Alison.

Mr F McCann: It is interesting. As Alex has said on a number of occasions, the elephant in the room is, in many ways, the question of parity. We have argued that parity should be stretched to its very limits, especially on issues such as these. However, you are the first witnesses who have said that parity needs to be stretched. What you say runs contrary to what all the others have said. I listened intently to what Bumper said, and he spoke about parity, "warts and all". He said that he had to accept parity. This is a debate that needs to take place. We need to put parity exactly where it is and take out of it what we can. We have argued for that.

I have two further questions. One of my questions, which I asked this morning, sometimes gets lost, and it is to do with the introduction of financial institutions to advise people on how to spend their money. This is very much a part of the discussion. It is an insult that financial advisers are being brought in to tell someone who gets £240 a month how to spend that money. Another concern that I raised is that, if people are forced to open bank accounts, there will be bank charges and different things. That will further reduce the amount of money that they get. Have you done anything on that specifically?

Ms Morgan: I know the point that you are making about financial institutions and "jam jar" accounts. The issue was in the media last week, and we have raised it. In fact, we heard only at our last meeting with the Department that those need to be built in to facilitate the payment. I am still not really clear what a jam jar account is. It appears to be an account whereby somebody who is in receipt of benefit, which will include even somebody who is working and in receipt of universal credit, can have a piece of the account to pay this bill, a piece to pay that bill and a piece to live on. However, from what I can gather, the financial institutions are not open to facilitating that because it would be quite costly to deliver for the thousands and thousands who will be welfare dependent when universal credit is introduced.

Mr F McCann: That probably runs contrary to what we heard last week about ongoing discussions with financial institutions. Financial advisers will come in and deliver their services, but obviously those people will not do it for nothing. If everything is paid into a bank account, surely there have to be bank charges that will reduce the level of benefit.

Alison, I have continually asked about the discretionary payments to tide people over in the difficult times of the shared room allowance and underoccupancy. Discretionary payments, by their very nature, are short-termist. Six months down the line, because of the way in which the Bill is laid out, people will face what they were intended to face previously. The Housing Executive deals with discretionary payments. Have you been told anything about how those will be laid out? I know that the 13-week payment is discretionary with a further 80%. However, we are told that that might be extended to 52 weeks and then again beyond that.

Ms Millar: On the issue of discretionary payments, in the past three to four months, we have set up an arrangement with the Housing Executive to look at the effect, primarily on staff. It comes back to this question: does the Department know what it is doing? The Department may know what is happening, but my senior level contacts in the Housing Executive say that, following the intervention of NIPSA, the Housing Executive raised major concerns about the transfer arrangement for staff. Those issues have not all been fleshed out yet. Of the 101 staff who are involved in the project for the delivery of universal credit, only two are on secondment from the Housing Executive. There is a dearth there. Despite several trawls in the Housing Executive, staff are not running and skipping to get into that project team. They are very concerned about the threat to their jobs if they were to transfer. We will, perhaps, deal with that in a separate submission to the Committee when more detail comes out.

As regards the issue of bank accounts, we are firmly of the view that the current arrangement with the Post Office works well. It is available in many small towns, although a number of post offices have closed. It is the appropriate way to deal with this, and people do not face bank charges, and so on. People can get only what they have in their account; they cannot get any more. We support the retention of the Post Office account arrangement or the introduction of a similar arrangement that ensures that people are not hit with bank charges, and so on. However, we do not have any detail on that, so we cannot comment in any detail.

Mr F McCann: I do not know whether you read an article in the 'Andersonstown News' last week in which a group called RNU said that it had leafleted workers advising them not to implement the welfare reforms.

Ms Morgan: May I ask for clarification, Fra? I did not see the letter in the paper.

Mr F McCann: It was an article.

Ms Morgan: I know that the Republican Network for Unity has gone into the Falls Road, Andersonstown and Corporation Street offices and left leaflets on the desks of staff. It was essentially calling for a mass movement to defeat the Bill. I have to say that I agree with that. Our difficulty is that it said on the leaflet that, ultimately, it would be the staff implementing the changes and that, therefore, it is the staff who could stop them. We are concerned that that puts pressure on our staff. With Alison's involvement, I contacted our reps in those offices and asked whether the staff were concerned and what they wanted us to do. The staff were not concerned, so we did not address the leaflets publicly. However, we have asked the reps in those offices to keep a very close eye on the situation.

The Irish Congress and the entire trade union movement do not have that level of detail about what we will do in the future. I know that Alison said that collectivism is not what it used to be. However, I feel, and I am sure that you feel, that there is a mood out there that we are all having to shoulder the burden for the bankers, the Government and all the people who are inflicting this on us. There was a lot of discussion at the march on 20 October. There were a lot of people from the voluntary and community sector there. We are also having our own discussions in the welfare reform group. I know that, at the TUC conference, there was a motion for a general strike. We have to have those discussions.

I know that it is beyond your remit, but you asked about the mass movement. The trade unions need to be going out and informing people, and we have been doing that. I have been at public meetings, and once people are told what is happening, they are interested. That information is feeding through, and we are having more and more of those public meetings. We will also be doing other things. On Friday, Alison and I were at a meeting about congress facilitating a welfare reform group with community groups. We will be taking actions. Do you have any thoughts, even in respect of the worries that you hear from your constituents? I would be interested to hear those.

Mr F McCann: I have been at most of the meetings that you have been at. Mickey has also been at quite a number of meetings. He was in Carnlough on Friday, and the two of us were at a trade union meeting in east Belfast a number of weeks ago. We have been available for anything like that. As regards constituency issues, we have been fairly active on the ground in trying to explain to people what is happening and what is going to happen. The difficulty is that a lot of the information has been drip-fed to people.

I was at the march that you talked about in Belfast city centre. I should probably declare an interest in that I am a member of the Services, Industrial, Professional and Technical Union (SIPTU). You had

quite a lot of people there. We need to work out where the focus is and how to deliver the message that this is severely detrimental to people's health. There are so many sectors involved, so it is also about how the strings of the different sectors are pulled together. Rather than isolated voices, a collective voice is needed. Collectivism might not be the in thing at present, but it sometimes works when you are trying to pull groups together.

Ms Morgan: I agree. We have that through the welfare reform group, and we will need to build on it.

Mr Brady: I want to refer to something that Alex said on 'The Nolan Show'.

Mr F McCann: Mickey invented a new word earlier: Nolanisation.

Mr Brady: There is a feeling out there that this applies only to people who are unemployed. Both Alison and Maria mentioned the right-wing media, which have criminalised people who are unemployed and made them feel bad about the fact that, through no fault of their own, they are unemployed. There is the issue that the contributory benefit of ESA for one year will not affect everybody. Anybody who has been working for 30 or 40 years and who, unfortunately, becomes sick will only get one year's benefit. You mentioned that if they have a partner who is working and on a low income, they will lose out. It is not a new thing. One of the questions you asked — it is an important one — is what happens to the rest of that money.

In 1986, Thatcher put the national insurance fund into the red for the first time in its history to subsidise private pensions. That came out of the blue. It has to be said that she was a catalyst for mass movements, whether the miners' strike or the poll tax riots. I am not advocating that she should come back to stir people up even more than they are. Things have moved on to some degree. However, it is about getting the message out. I have participated in a lot of meetings across the North and, when you actually sit down and explain the impact of welfare reform to those who have suffered industrial injuries, those with unforeseen aggravations and those who used to receive youth incapacity and severe disability allowances, there is a realisation. That message needs to be put out. It is not just the long-term and the, according to the Government, "chronically unemployed" or generationally unemployed who will be affected. People who have been working for many years will also suffer, as will those on low incomes and those who will lose their tax credits under universal credit.

The idea about having as big a paper as possible needs to be looked at. There are many things that can be looked at and changed. Parity has been discussed, and there is a feeling that if we break parity we will lose the block grant and will all be paupers. The way things are going, we are all going to end up like that anyway. I think that there needs to be a wider discussion. Sammy talked about the Labour millionaires, and I think that there is a misapprehension that the British Labour Party is a socialist party. Some people may think otherwise.

There is a lot of issues that need to be addressed, and I think that the unions are, maybe, starting to look at those in more depth than before. That is just a personal observation.

Ms Millar: It has been said that the poll tax maybe got more resonance because it affected a wider group of people, including those on middle incomes. As I understand it from the media, HMRC will, today, start to send out letters about the removal of child benefit from middle-earning families. That will impact on those families.

You can talk about different groups of people, and welfare reform, universal credit, etc are supposedly about making work pay. We have touched on a number of issues today, and I will not rehearse them all. However, I think that we have tried to come up with action points for the Committee to consider. One of those is that, although this cut in child benefit was announced this time last year, only when the letters begin to arrive on the doormat will people begin to think that it is actually happening. I think that, today and in the period ahead, you will hear in the media about the negative impact that will have. Those people who are just in the 40% tax bracket, and I would not classify them as high earners, will see a real impact on their child benefit, and we will see the impact that it will have on families.

As things move on, there will be things that will impact right across, whether you are in the low- or middle-income bracket. It is an attack, and it goes to the heart of the welfare state.

Ms Morgan: We have produced various leaflets and have given those out in town. However, there has been a gap in the information that has been provided by the Civil Service and the Department.

Families, communities and even our members do not really know what will happen. That needs to be addressed. We have raised that at every meeting we have had with the Department, but, if you have the ear of officials when they are here with you, I think that you need to raise it as well.

Alison made the point about child benefit notices being sent out today, and I think that that will help us. Also, Iain Duncan Smith made statements about the number of children that can be supported. Such incredible statements make you wonder, but, having said that, they also help to make people listen, ask what it is about and say that that is not the type of society that they want to live in.

In that sense, it goes to the core of what Mickey said. However, the core of it all is what we can do about it and how we can make a difference. That will be the crux of it all.

Mr Thompson: I have a couple of quick points. The Department's figures tell us that 40% of those who deliver universal credit will also receive it, as we well know. Those people do not think that they are part of the welfare system. The money they receive is seen as a tax credit and something different. Unfortunately, because of the shock-and-awe tactics I outlined earlier, welfare reform is popular at this time, and that is why it continues. It is popular because of the strategy of demonization of the very small minority of people who may be claiming benefits fraudulently. There are no success stories of people on benefits or a realisation that unemployment is so high, regardless of what the British figures might say. I think that that spike was due to the Olympics, and it will probably fall again.

I want to talk about what the trade union movement is doing. We are now starting to build up momentum. The PCS, Unite, and NIPSA will work closely in the future to try to launch something in communities. There is this idea of the workers against the unemployed, and that division needs to end, because everyone is being attacked.

The point that I really want to make is about how we can change the debate on those issues in this country. NIPSA and the PCS have produced a pamphlet on pensions and tax justice that changed the debate, particularly when we pointed out the £120 billion in uncollected and avoided taxes and asked why job cuts were being made in HMRC. The PCS has also produced a welfare alternative, and the key to producing that was not to say what we are against, but what we are for. When they argue against those issues or deal with the Bill, the progressive elements in whatever Parliament or Assembly need to make the case for what they are for. That will draw in the things that every one of us has outlined today to try to protect the system and to make the statement that we are for something better. That is a real step forward, which will galvanise support.

We talked about the Labour Front Bench, and 90% of the cuts were planned by them. The PCS was in open conflict with Labour when it was in power, because of the 30,000 job cuts in the Department for Work and Pensions (DWP) and things like that. It is about providing people with something different. Some sort of alternative will help to galvanise support.

Ms Morgan: That is a big piece of work that all the unions and affiliates in the congress collectively started a long time ago. We will continue with it.

Ms Buchanan: We will explore some sort of a legal challenge. It will not be easy. However, it is about where it stops just being awful and crosses the threshold into being discriminatory. We are working with various groups on that, and I will keep the Committee up to date.

As to whether the Con-Dems will listen, history shows that they have certainly not listened to the trade union movement. However, we hope that they will listen to the Committee about the cost of implementing welfare reform, never mind the cost of not implementing it.

I will keep the Committee up to date on where we are with, hopefully, a legal challenge.

The Chairperson: OK, Pauline, thanks for that, and thank you all for your contributions today.

I do not want to cover all the points, but, even in my constituency, we have put out about 8,000 or 9,000 bulletins door to door in recent weeks. Those have dealt with welfare reform and a whole range of other issues. As I am sure you know, my party puts out tens of thousands of bulletins in a load of areas. In their own way, many people are drawing attention to the issues, depending on where the parties come from.

By way of assurance, you will know that the Bill is in Committee Stage and the Committee's job over the next couple of weeks will be to reflect on the Bill. That is why it is very important for us to take as much evidence as possible. By the end of this process, we will have received over 40 written submissions and over 20 oral submissions, many of which will be from coalitions. That is very important for us as part of our deliberations. Clearly, it is important for us to hear from people with direct sectoral interests as well as wider, more generic interests like yours. At this stage of the legislative process, it is up to the Committee to look at the Bill. People may oppose the Bill or want it amended; that will be up to the members and the parties around the table. I am satisfied that all Committee members have expressed serious concern about the Bill in a wide range of ways. Ultimately, it is up to members and their parties to vote accordingly, but widespread concern has been expressed by everybody, and that is, perversely, a good thing because there is a problem to be dealt with. However, it is up to the Committee to oppose or produce proposed amendments to the Bill.

It is also up to the Committee to produce a narrative that may contain recommendations or observations. I find it difficult to see how the Committee will deal, for example, with the question of housing when that is to be dealt with weeks or even months up the road, including through working with David Freud. Having met him no later than last week in London, I know that he accepts entirely that circumstances here are different from those elsewhere and that, therefore, a different approach is required here. However, it remains to be seen how that approach will be manifested, and, without being disrespectful to David Freud or anybody else, I would not hold my breath. I am just making the point that we have a job to do, and, as I told David Freud: I have to vote on the Bill that is front of me and not on what someone tells me might happen. I have to look at the Bill and take my own decisions, and that applies to us all.

We have had a useful discussion that touched on the question of parity, on which everybody and every party has different views. Nevertheless, ultimately, we have to deal with what — to use that nice word — "flexibilities" in parity mean. Does that mean stretching the Bill beyond parity? As publicly stated by all the parties, we will certainly be looking for flexibility, and I use the word in its widest context. Hard "and/or" choices may well have to be taken on flexibilities. We all know and accept that that could lie well up the road. So, I thank you for your comprehensive written and verbal submissions and for dealing with all of the questions from members. This is an ongoing process that is not, by any stretch of the imagination, over today. I thank you for your contributions and help so far.

Ms Millar: We thank the Committee for having us here today.