



Northern Ireland
Assembly

Committee for Social Development

OFFICIAL REPORT (Hansard)

Welfare Supplementary Payments
Regulations (Northern Ireland) 2016:
Social Security Agency

3 March 2016

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Alex Maskey (Chairperson)
Mr Fra McCann (Deputy Chairperson)
Mr Jim Allister
Mr Roy Beggs
Ms Paula Bradley
Mr Stewart Dickson
Mr Sammy Douglas
Mr Phil Flanagan

Witnesses:

Ms Sinead Crossan	Social Security Agency
Mr Mickey Kelly	Social Security Agency
Mr Tommy O'Reilly	Social Security Agency

The Chairperson (Mr Maskey): We are skipping an item on the agenda just temporarily because Tommy and his colleagues have to go to other business. We thank the other deputations for indulging us or indulging Tommy — you owe us one already. The session is on the welfare supplementary payments regulations. Tommy, are you happy to give the Committee a briefing on that?

Mr Tommy O'Reilly (Social Security Agency): I am indeed, Chair. Thank you very much for the opportunity, and thank you for moving your agenda around for us.

Since the publication of the Eileen Evason report, the Department has been working towards the implementation of the recommendations. That has included developing the operational policy to enable us to identify and deliver mitigation payments to the claimants identified in the report. It has been an extremely challenging timescale, and, because of that, it is not possible to bring all of the regulations to the Committee at one point. Therefore, it is proposed to bring them in two tranches. The initial set will provide mitigation payments for claimants affected by the first changes to the benefits system — people who are unable to work due to ill health and those affected by the benefit cap. The separate regulations to cover claimants affected by the remaining welfare reforms, including disability changes, will be prepared in advance of the changes being implemented. We propose to bring those to the Committee after the Assembly elections.

It is intended that the benefit cap will be introduced in Northern Ireland on 31 May. I wish to highlight that there has been an amendment to the regulations since the SL1 was circulated to the Committee, and the briefing and regulations that were issued to the Committee yesterday incorporate that change. The amendment to regulation 4 makes provision for families impacted by the benefit cap, provided

that they have been continuously in receipt of any combination of the welfare benefits that contribute towards the calculation of the cap from 31 May 2016 until the point at which they are impacted by the cap. It is therefore proposed to make mitigation payments to all claimants with children who are currently in receipt of welfare benefits and are affected by the benefit cap. Claimants who are eligible for payment will receive a payment equal to the amount by which their housing benefit is capped, so there will effectively be no loss to their social security benefits. Claimants will be paid that amount every four weeks, and payments will only change if the amount by which the benefit is capped is reduced or stopped.

Contribution-based benefits are paid to those who have made enough National Insurance contributions over a certain period, while income-related benefits are available to those who can demonstrate that their income and capital are below specified limits. Claimants of employment and support allowance (ESA) will continue to receive their contributions-based element or income-based element of the benefit or a combination of both. The introduction of time limiting on the employment and support allowance will affect claimants who receive the contribution-based element, and it will limit the maximum period for which someone can receive the benefit to one year. It is estimated that, in the first year of the time-limiting rule, 7,000 claimants will be impacted, but we expect that over 3,000 of those will receive the income-related benefit. The total number impacted and seeing their benefit reduced or stopped will be about 4,500 claimants. The most severely ill or disabled who are in a support group will be exempt from the change and will continue to receive ESA.

Most claimants will be affected as soon as the changes to the benefit are introduced. That is because they will have already received the contributory element of the benefit for at least one year. Indeed, many impacted claimants will receive contribution-based benefits for several years. All affected claimants will be contacted in advance to explain that their benefit will end, and they will be encouraged to claim income-related employment and support allowance, where appropriate. That will help to ensure that everyone gets their proper benefit entitlement before any mitigation payment is considered. It will be in the claimant's interest to apply for income-related employment and support allowance, because those who are entitled to receive it will also be able to access a range of passported benefits.

Mitigation payments will be equal to the amount of reduction that they suffer, and it is expected that most claimants will receive a payment equal to the full amount of their benefit. Some claimants will already have an entitlement to income-related employment and support allowance and, therefore, will only receive a top-up mitigation payment. It is proposed to make payments at the same rate every four weeks for a maximum of one year. There will be no further mitigation payments made if a claimant becomes no longer eligible for employment and support allowance. That will ensure that financial support from the Executive is only being provided to those who continue to be unable to work due to illness or disability. As a condition of continued entitlement, claimants may be required to attend medical assessments as part of the work capability assessment. That is required regardless of whether someone receives payment of income-related benefit or a credits-only claim.

The changes are expected to affect only a very small number of existing ESA claimants. This is likely to be claimants that have been in a support group, are reassessed and, due to an improvement in their health, are placed in the work-related activity group and then affected by time limiting.

The working group has made recommendations to make mitigation payments for other elements of welfare reform, and the Department is developing a scheme to implement those. As I said earlier, we plan to bring back further regulations before the end of June. They will make provision for mitigation payments for disability premiums, support for carers and protection for those who are reassessed for personal independence payments (PIPs). The later regulations will also make provision for the anticipated future changes to the benefit cap. That will ensure that mitigation payments are made to claimants affected by the lower cap levels. Officials will also soon start to work on the new cost-of-working allowance mitigation scheme for universal credit claimants. The mitigations proposed by the working group and provided for in these regulations will clearly provide important financial support for many vulnerable people who will be affected by the welfare reforms.

I am happy to answer any questions that you have about the regulations and the policy.

The Chairperson (Mr Maskey): OK, Tommy, thanks for that. Members, I remind you that you have the papers at page 31 of your meeting pack and page 46 of tabled items. The way that today's agenda is written is that we have the SL1, the regulations and the SR. As with the previous item, the reason that we have to do that is that next week will be our last meeting. We have to have the SR on the agenda a week in advance or at least deal with the SL in advance of the SR. We are not dealing

specifically with the SR today; we are dealing with the SL1. I just give those technicalities of it to keep us right.

Thank you, Tommy. I should have introduced both Sinead and Mickey who are here along with you this morning; sorry about that. Tommy has given a rundown of what is in the SL1 and the coming SR. What is really required today is that I will put the Question whether members are content for the rules to be laid, and then next week we will deal formally with the SR.

Mr Flanagan: Tommy, I just take you back to the comments that you made at the start that this is coming into effect on 31 May, and then we will be expected to deal with other matters after the election. What is the time frame for that? When does that come into effect?

Mr O'Reilly: The welfare changes in the first set of reforms were brought in by the Welfare Reform Order. They are all expected to be in place for the end of May or beginning of June. The major reform that is coming in is the introduction of fresh claims for personal independence payment. Those regulations will come to the Committee in the period between the new Assembly being formed and the end of June. It will take people who are going onto the personal independence payment a number of months to go through the process. That will allow us to get the regulations through and put the operational policies in place. When they come out the other end after their assessment, we will have provision for the mitigation payments. However, the benefit cap will come in on 31 May, and we need to have those powers in order to take forward the procedures that we are doing.

Mr Flanagan: The second set is not as urgent as these ones.

Mr O'Reilly: No. These are the ones that we need for the first set of reforms.

Mr Allister: The original expectation was that all the regulations would come together, is that right?

Mr O'Reilly: There was no plan that they would all come together, but, when the report was laid, in looking at the recommendations from the working party and when the welfare reform changes were to be made, we were constrained by the fact that this Assembly mandate was coming to an end. The break is coming up on 15 March in preparation for Easter, and we will then go into the purdah period, so we only have about four weeks available to us before we go into summer recess. In order to ensure that we had all the regulations in, we looked at that period and decided that it was better to break it into two tranches.

Mr Allister: The idea of breaking it into two has only come to us lately, is that right?

Mr O'Reilly: We have not been in front of the Committee about this issue. This is really an operational issue. The First Minister and deputy First Minister asked that we implement it as speedily as possible, and this allows us to do in it an orderly way, both in developing the operational procedures and bringing forward the legislation.

Mr Allister: You do not have the other regulations drafted.

Mr O'Reilly: That is work in progress at the moment. They will be ready to come to the Committee in May. At the moment, we are working around the Welfare Reform Order and the mitigation schemes. It is about balancing priorities and getting the work done within the timescales.

Mr Allister: It is not that somebody thought that it might be more politically convenient to leave aspects until after the election.

Mr O'Reilly: No, all the issues are in the public arena. The working party's report is there, and we are taking forward its recommendations. We are doing the work to get ready to deliver the operations.

Mr Allister: Can I ask you about the cap? I think I read somewhere that about 400 families are affected by it: is that right?

Mr O'Reilly: That is correct. That is the estimated number at the moment.

Mr Allister: What level of benefits are those families getting above the cap?

Mr O'Reilly: At the moment we have run estimates of what we anticipate they are. They range from just over £26,000 up to over £40,000 or £50,000.

Mr Allister: £50,000?

Mr O'Reilly: Some families have got £50,000, yes.

Mr Allister: Some of these families get £50,000.

Mr O'Reilly: We have provided that information in response to Assembly questions. We have to remember that they are families with very complex circumstances: there are large numbers in the family, they are living in homes to accommodate that, and there is a range of benefits in the middle of that.

Mr Allister: So they will sustain up to £50,000 of benefits for the four years.

Mr O'Reilly: We will make the deductions against the benefit cap and against the housing benefit that they receive. That is the deduction that will happen.

Mr Allister: Will they end up receiving the same benefits as currently?

Mr O'Reilly: They will be mitigated in full, yes.

Mr Allister: For four years.

Mr O'Reilly: For four years, as recommended by Professor Evason.

Mr Allister: I understand. How many will be in the £50,000 bracket?

Mr O'Reilly: We will not know the actual numbers until we get to the day and check against individual cases. That will be the date at which we will understand it.

Mr Allister: So you have no idea whether it is one or 101.

Mr O'Reilly: We have already gone through a process of looking at that. That is not the purpose of understanding. The regulations are really about making the powers to make the provisions that are recommended by the report. That is what we are bringing forward.

Mr Allister: But you have no idea how many families.

Mr O'Reilly: We have already published that information.

Mr Allister: Indulge me by reminding me.

Mr O'Reilly: I do not have the details here, but I am happy to provide that information after the meeting.

Mr F McCann: I just have a comment. It never fails to amaze me that some people are more interested in the money that it costs than in the complex issues for people who may fall within the cap. If they understood the complexities and the serious social difficulties for families like that, they might not push it. On the wider thing, are you content that those most in need and most vulnerable will benefit from the mitigations?

Mr O'Reilly: Sorry, Fra?

Mr F McCann: The intent of this whole thing was to look after the most vulnerable and those in need. Are you content that the work of the panel, the work that you have done and the outpourings of it will help those most in need?

Mr O'Reilly: We are content that the regulations reflect the policy intent of Professor Evason's report and what she asked us to do. We have taken it forward on that basis.

The Chairperson (Mr Maskey): OK, thank you for that. Tommy, Mickey and Sinead, thank you for that. You two got off lightly this morning. *[Laughter.]* I look forward to seeing you again in May at some point.

Are members content that the rules be made?

Members indicated assent.