

**Department of Finance
Memorandum on the Third
Report from the
Public Accounts Committee
Mandate 2022-2027**

Child Poverty in Northern Ireland

**Presented to the Northern Ireland Assembly
by the Minister of Finance**

19 December 2024



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Glossary of Abbreviations

DfC	Department for Communities
DoF	Department of Finance
NI	Northern Ireland
NIAO	Northern Ireland Audit Office
NICS	Northern Ireland Civil Service
PAC	Public Accounts Committee
VCS	Voluntary and Community Sector

Third Report

Department for Communities

Child Poverty in Northern Ireland

PAC Recommendation 1

The Committee is determined to hold the Department to its commitment of bringing forward an anti-poverty strategy in this financial year. The Department should therefore report back to the Committee by the end of January 2025 to confirm that timescales are on track and an anti-poverty strategy will be provided to the Minister for consideration and presentation to the Executive by 31 March 2025.

The Department for Communities (DfC) accepts this recommendation.

Target Implementation date: March 2025.

DfC will provide a written update to the Public Accounts Committee (PAC) on progress of the development by an Anti-Poverty Strategy by 31 January 2025.

DfC can confirm though that it will put forward a paper to the Executive containing a draft Anti-Poverty Strategy by 31 March 2025. The draft Strategy will be focused on addressing the root causes of socio-economic disadvantage and helping to people exit poverty. It will be evidence based, drawing on inputs from stakeholders and Departmental research. It will also be informed by the engagement work ongoing with all Northern Ireland Civil Service (NICS) departments through both Ministers and the officials who form the Anti-Poverty Strategy Cross Departmental Working Group.

PAC Recommendation 2

There is a clear need for targets and outcomes that are quantitative, qualitative and timebound to properly measure performance and demonstrate the impact of strategic actions. The Committee recommends that an anti-poverty strategy to be presented includes an action plan with a range of clearly defined indicators, measures and targets aimed at quantifying and reducing poverty. As part of this process, the Department should learn from good practice and success in other jurisdictions.

DfC partially accepts this recommendation.

Target Implementation date: March 2025.

As part of the work on the Anti-Poverty Strategy an action plan is currently being developed. DfC would highlight that input on this will be dependent on all NICS departments and that the final decision on content, including the need for specific targets will be a matter for the Executive.

DfC's recommendations on strategy content including indicators, poverty measures and the potential for targets, will be informed by evidence gathered during the development of the Strategy. As part of the process and throughout the lifespan of the Strategy, DfC will continue to engage with colleagues in other jurisdictions and monitor best practice, where it can be identified, to ensure that programmes with a proven track record of tackling poverty are implemented where this would be appropriate to Northern Ireland (NI). DfC will also ensure that the Executive are aware of both the Northern Ireland Audit Office (NIAO) and the PAC reports on Child Poverty and their associated

recommendations which will be included in the paper containing the draft Anti-Poverty Strategy to be put before the Executive within the current financial year.

PAC Recommendation 3

There is a strong argument for investing in long-term, preventative measures which would reduce the number of children falling into poverty and therefore save public money in the future. The Committee recommends that the action plan prepared with an anti-poverty strategy incorporates clear actions which address early intervention and prevention.

DfC accepts this recommendation.

Target Implementation date: March 2025

It should be noted that ultimately what actions are included in the action plan will be dependent on input from other Departments, and effective delivery and the provision of appropriate support will only be possible to provide through the ongoing co-operation between departments through the workings of the Cross Departmental Working Group.

While it is for the Executive to make decisions in relation to what is included in the Anti-Poverty Strategy, DfC's recommendations on strategy content, including specific actions, will be informed by evidence gathered during the development of the Strategy. DfC will also ensure that when considering the Anti-Poverty Strategy, the Executive are aware of both NIAO's and PAC's recommendations which will be included in the paper to the Executive as reflected under recommendation 2.

However, as the Minister for Communities has stated, his intended approach is to provide an Anti-Poverty Strategy with three pillars –

- Minimising Risks;
- Minimising Impacts; and
- Exiting Poverty.

The Minimising Risks pillar will include actions aimed at minimising the risk of people and their families falling into poverty. In particular, all NICS departments will be asked to consider and bring forward interventions which help tackle a range of risk factors which can lead to people falling into socio-economic disadvantage. These risk factors have been identified in departmental research - *A Scoping Review of the Literature on Poverty in Northern Ireland* - available on the DfC website. Where possible effective early interventions and programmes will address issues such as childhood factors (poor educational attainment/poor home learning environment), family structure, barriers to work and issues relating to poor physical health and well-being.

DfC will recommend that the Strategy remains a 'live document' and would therefore highlight that actions undertaken and delivered will also change and adapt as best practice is recognised and the effectiveness of individual actions is assessed on an ongoing basis. DfC would also highlight that many of the actions included will have an impact not only on poverty levels, but on other related outcomes (for example, actions in relation to health, education and the economy) which should help save public money in the future.

PAC Recommendation 4

Despite rising levels of child poverty in Northern Ireland and the clear impact this has on outcomes and opportunities, the Child Poverty strategy was not properly funded. To allow the Executive to make informed decisions about budget allocations, the Committee recommends that the action plan prepared with an anti-poverty strategy is properly costed, and outlines which specific actions can be delivered from existing budgets and those which require further dedicated funding to be made available.

DfC accepts this recommendation.

Target Implementation date: March 2025.

As part of the paper on the Anti-Poverty Strategy to be presented to the Executive, information will be included on costs setting out which initiatives are currently funded and can be delivered from existing budgets, and those which will require additional budget to be made available.

As reflected under recommendation 3, measures to tackle poverty by their nature will be long term commitments and as DfC will recommend that the Strategy remains a ‘live document’, actions undertaken and delivered will change as best practice is recognised and the effectiveness of individual actions is assessed on an ongoing basis. The costs related to the delivery of the Strategy will therefore also be subject to change throughout its lifespan. Information on funding and budget allocations will continue to be captured under existing NICS finance, budgeting and value for money procedures.

DfC would further highlight that value for money relating to individual actions will continue to be monitored through existing procedures and will be a matter for the relevant NI departments responsible for delivering them.

PAC Recommendation 5

Continuous review is an important part of accountability and monitoring processes. The Committee recommends an anti-poverty strategy should include accountability mechanisms to ensure ongoing review and impact assessment of underlying actions, including the direct involvement of those with lived experience, to identify aspects which are not working as intended and need to be amended.

DfC accepts this recommendation.

Target Implementation date: March 2025.

Accountability and monitoring mechanisms will be developed and will form a core part of the Anti-Poverty Strategy. This will include timescales and procedures for review throughout the lifespan of the Strategy including how best to build in the involvement of those with lived experience of the Strategy’s impacts.

Input from those with lived experience will also be sought in relation to individual actions and new programmes to be delivered under the Strategy on an ongoing basis as appropriate, including undertaking formal public consultation where this is appropriate.

The Strategy will be subject to a full public consultation before it is finalised.

PAC Recommendation 6

In preparing an anti-poverty strategy, the Committee recommends the Department should clearly outline and communicate the governance and accountability arrangements for delivering actions, including clarity over the lead department role and how it will work effectively with others in delivering the strategy and associated actions.

DfC accepts this recommendation.

Target Implementation date: March 2025

As part of the development of the Anti-Poverty Strategy, accountability and monitoring processes will be developed as referred to in the response to recommendation 5. DfC will ensure that these also clearly make recommendations on governance and accountability arrangements for the delivery of the different actions across the strategy. This will include agreeing the various lead departments and roles and how they will work together effectively, and with others to deliver the strategy and associated actions.

Recommendations on strategy content, including in relation to agreeing ‘lead Departments’ for the various actions will be informed by evidence gathered during the development of the strategy and will be presented to the Executive for a final decision.

PAC Recommendation 7

The Committee recommends that the Department should explore options for independent monitoring to provide more robust scrutiny and monitoring of outcomes and bring a recommendation to the Minister for consideration no later than 6 months after an anti-poverty strategy is launched.

DfC accepts this recommendation.

Target Implementation date: March 2025

DfC will include the option to develop an independent monitoring mechanism and this will be presented to the Executive alongside the draft strategy. The inclusion of an independent monitoring mechanism in the Anti-Poverty Strategy is a matter for the Executive to decide upon. If the Executive indicates that an independent monitoring mechanism is required, a further paper will be provided to the Minister for Communities within 6 months of the publication of the Anti-Poverty Strategy.

PAC Recommendation 8

The monitoring and reporting mechanisms for the Child Poverty Strategy were not effective and this means there has been no assessment of the cumulative impact of the Strategy. The Committee recommends that in developing an anti-poverty strategy, the Department should ensure that it designs monitoring mechanisms that are more streamlined and focused on achieving outcomes.

DfC accepts this recommendation.

Target Implementation date: March 2025.

DfC agrees it is good practice for a strategy to include mechanisms to measure progress and can assure the Committee that proposals for the new Anti-Poverty Strategy will do this. DfC will aim to ensure that monitoring mechanisms for the Anti-Poverty Strategy will be effective, transparent and focused on outcomes. A paper will be presented to the Executive setting out an approach for the draft Strategy early in 2025 and this will include proposed details of an approach to monitoring the levels of poverty in NI in an ongoing and sustainable fashion. DfC would highlight though that the decision on the monitoring approach to be included in the final Anti-Poverty Strategy will be a matter for the Executive to decide upon.

PAC Recommendation 9

The Committee considers that there is significant untapped potential in the Children’s Services Co-operation Act (Northern Ireland) 2015 that would allow organisations to pool resources and share outcomes. However bureaucracy and administrative burdens, alongside a lack of detailed guidance, has limited its implementation and effectiveness. The Committee recommends that the Department of Finance works with other departments to review the barriers to the Children’s Services Co-operation Act (Northern Ireland) 2015 and by December 2025 produces an agreed action plan to reduce and remove these barriers.

The Department of Finance (DoF) accepts this recommendation.

Target Implementation date: December 2025.

DoF agrees there may be potential in the Children’s Service’s Co-operation Act that would allow organisations to pool resources and share outcomes. DoF will engage with departments to understand the potential barriers and produce a plan by December 2025 to reduce or remove potential barriers where possible. As part of this, DoF will

consider the existing levels of bureaucracy and administrative burdens, and what guidance may be necessary moving forward.

PAC Recommendation 10

The community and voluntary sector is a vital partner in delivering effective services for children and representing those with lived experience. The Committee therefore urges the Department to take a proactive role in effective engagement with the sector to improve relationships and ensure those with lived experience continue to be engaged through the life of an anti-poverty strategy and the ongoing achievement of real outcomes. The Committee recommends the Department puts in place such an engagement strategy with the community and voluntary sector no later than 6 months after an anti-poverty strategy is launched.

DfC accepts this recommendation.

Target Implementation date: Ongoing.

The contribution to the development of the Strategy to date by the Voluntary and Community Sector (VCS) has been extremely valuable and DfC recognises the key role the sector will play as delivery partners. Existing and ongoing engagement with the VCS will be built on and developed throughout the lifespan of the Anti-Poverty Strategy including through an engagement strategy that identifies the best approaches to engaging those with lived experience of socio-economic disadvantage.

This will be supported by and will complement DfC's role as lead department for the Executive's relationship with the VCS through a new Partnership Agreement between government and the VCS.

PAC Recommendation 11

The Department should ensure that it has a comprehensive list of those community and voluntary sector organisations currently delivering services for children in poverty and proactively engages with these organisations to inform new anti-poverty action plans in design and delivery phases.

DfC accepts this recommendation.

Target Implementation date: September 2025.

Following consideration of the Anti-Poverty Strategy paper by the Executive this work will be taken forward as part of the actions outlined in the response to recommendation 10 above. Engagement with the sector will be ongoing throughout the lifespan of the Strategy and a key stakeholders database will be developed and regularly updated to ensure DfC identifies all appropriate stakeholders and retains a working knowledge of the services and support they deliver to their constituent communities.