



**SOCIAL SECURITY
ADVISORY COMMITTEE**

Eighteenth Report

2005

Social Security Advisory Committee

EIGHTEENTH REPORT

August 2004 – July 2005

Members

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Sir Thomas Boyd-Carpenter KBE (Chairman until 31 December 2004)
Kwame Akuffo
Les Allamby (from 1 February 2005)
Simon Bartley (from 1 February 2005)
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Chairman's Foreword

This is my first annual report as Chairman of the Social Security Advisory Committee. I took over in January 2005, and I shall have been in post just seven months at the end of this reporting year (31 July 2005). I am conscious that I joined the Committee at an interesting point in its evolution. This is the Committee's twenty-fifth year as the Government's main advisory body for social security and related matters, and the Department's recently completed Quinquennial Review has confirmed that we still have an important and challenging role to perform.

I would first like to record my thanks to my predecessor, Sir Thomas Boyd-Carpenter. Sir Thomas stood down in December 2004 after over nine years leading the Committee, and he greatly assisted me in the transitional period. I would also like to thank my fellow Committee members for their support and assistance as I have worked my way into the job.

My reflections on the first months in the chair are necessarily first impressions, but a number of themes and issues – emerging from both our scrutiny of proposals for regulations and from our ongoing scrutiny of a range of policy and operational areas – have particularly caught my attention.

This has been a year of rapid change and major challenges for our sponsor Department (the Department for Work and Pensions (DWP)). Whilst we await the next stages of the Government's welfare reform programme (in particular, the reforms to Incapacity Benefit and Pensions), the Department is making significant changes to the way it delivers services to its customers, and at the same time moving to make substantial reductions in the numbers of front-line staff it employs. We sense that this is currently having the greatest impact in Jobcentre Plus, where we have seen encouraging signs that innovative work-focused programmes for harder-to-help customers are achieving results. These must be set against signs of strain in day-to-day customer service and benefits delivery. We are concerned that the pace and scope of change to the business may compromise the Department's ability to deliver its welfare reform programmes and high-quality services to its customers. The Pension Service, too, faces the challenge of meeting more demanding targets for Pension Credit take-up and benefit processing whilst reducing staff numbers.

Our report follows the established format, and these issues are considered further in Chapter 1 – the summary of our year's work – and in our account of our visits to operational sites in Chapter 3. The bulk of this report refers only to our work in relation to DWP, since the Memorandum of Understanding we have with the Her Majesty's Revenue and Customs precludes detailed comment on our work with them.

The year ahead promises to be a busy one for us. There is a heavy programme of proposals for legislation in prospect. We are also planning an independent programme of work, supported by our soon-to-be appointed research and policy specialist. We shall be expanding our programme of visits to the Department's operational sites and our meetings with external stakeholders.

I would like to express my appreciation of the contributions of those members of the Committee who left over the course of the year. Professor Eithne McLaughlin and Neil Barlow resigned from the Committee with effect from 30 November 2004, and Elisabeth Elias completed her final term of appointment on 31 July 2005. All three brought particular skills and experience to the Committee, and have served us well. I would also like to welcome two new members – Les Allamby and Simon Bartley – who were appointed in February.

Finally, may I pay tribute to Gill Saunders, our Secretary, and her team who are unfailingly supportive, and who are always ready to pursue issues and information for the Committee – their work is much appreciated.

A handwritten signature in black ink that reads "Richard Tilt". The signature is written in a cursive, slightly slanted style.

Richard Tilt
SSAC Chairman

Chapter 1

Our work – summary

- 1.1 By the time this report is published we hope to have completed the work that followed on from the publication in 2004 of the Department's 2003/04 Quinquennial Review of the Committee. We had anticipated making swifter progress on the implementation of those of the review's recommendations that were outstanding at the end of our last reporting year. However, for reasons that are wholly outside our control, some work remains to be done. We will shortly be appointing a research and policy specialist (reflecting the Department's decision to restore our research functions), but there has been no progress on one significant recommendation – the suggested extension of our role to take in the scrutiny of some regulations made within six months of the coming into effect of the enabling Act.
- 1.2 In all other respects, this has been a busy year. We have seen an increase in the number of proposals for DWP regulations for our scrutiny (40 sets over the year). We have also carried out 20 visits to local operational sites (an overview of these visits is in Chapter 3) and members of the Committee attended a number of Departmental and external events, meetings and conferences.
- 1.3 Towards the end of 2004 we started work on proposals for Tax Credits regulations under the terms of the Memorandum of Understanding (MoU) that we signed with the then Inland Revenue (now Her Majesty's Revenue and Customs (HMRC)) in July 2004. Our report of this first year's work is at paragraph 1.27.

Proposals for regulations

- 1.4 Over the year we considered a wide range of proposals for amending social security regulations. Although only one set of proposals has been subject to a formal referral¹, we have, in many instances, raised issues of principle or technical queries to which officials have responded with clarifications, or amendments to draft legislation where appropriate. For example, recent proposals for amendments to the Housing Benefit and Council Tax Benefit Regulations (which would have the effect of ending the policy of normally recovering overpayments of benefits from landlords), gave rise to questions, not only about how this would work in practice, but also about whether the regulations as worded would achieve the intended effect. These concerns

¹ The Social Security (Work-focused Interview) Amendment Regulations 2005. Our report has not yet been published.

were resolved in an exchange of correspondence, and on this, as on other occasions, the Committee withholds its agreement that formal reference of proposals is not required until a response to our queries or a revised draft of regulations has been received and approved.

- 1.5 This year we have been particularly struck by the complexity and span of some of the proposed regulations brought to us. For example, giving effect to the new arrangements for the deferral of state pensions (which came into force in April 2005) has required many sets of individual amendments, dealing with deferral itself, and providing for the treatment of lump sum payments from deferred pension in the income-related benefits.
- 1.6 Similarly, the advent of civil partnerships (coming into effect from December 2005) required the Committee to consider both a variety of changes to social security legislation, and some quite far-reaching changes to the way that claims from couples will be dealt with in future. As same-sex partners will be treated as couples in the same way as opposite-sex couples, Ministers asked for a review of the existing system of treating couples as Living Together as Husband and Wife (LTAHAW) ahead of the Civil Partnership Bill. We have contributed to the review, and we are taking a close interest in the new procedures that will be introduced and the way in which these changes are being communicated to customers (see Chapter 2). It is also the case that when new legislation such as this spans both the DWP and HMRC, the Committee is in a position to consider the consistency of the respective approaches adopted.

Local Housing Allowance Pathfinders

- 1.7 We have continued to monitor a number of major policy and operational changes that are being piloted in the field by the DWP. Since November 2003, Local Housing Allowance (LHA) Pathfinders have been operating, affecting Housing Benefit (HB) recipients in the deregulated private rented sector. We reported on the original proposals (summarised in our 2003 Annual Report) for the Pathfinder scheme which features flat rate allowances based on the size of households and the area in which they live. Allowances are normally paid to tenants rather than to landlords.
- 1.8 Over the course of the year we have received feedback on the scheme and the results of first evaluations of the Pathfinders. The indications are that they have been broadly successful, with a significant proportion of tenants gaining financially from the new scheme, and a large majority managing their HB payments without difficulty. The scheme is also somewhat simpler than the main HB scheme for private sector tenants (although, overall, we believe that HB remains one of the most complex – and, from the customer’s point of view, opaque – parts of the social security system). We did not ask for formal referral of the regulations extending the scheme to further Pathfinder areas
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from the summer of 2005, but have given some thought to the implications of any possible national roll-out of the system, and the mooted development of an LHA Pathfinder model for the social housing sector.

- 1.9 The current Pathfinder model would be very costly to roll out nationally. However, modification of the model so as to reduce costs could create large numbers of benefit losers, and would require the inclusion of a transitional protection scheme that would only add to the complexity of its administration. The current Pathfinder scheme's successes may well be linked to its relative generosity, and we would be concerned if a less generous scheme was rolled out nationally without first being piloted, and the associated impacts on tenant and landlord behaviours properly evaluated.
- 1.10 We also have considerable reservations about any extension of the LHA model to tenants in the social housing sector. In the context of the private sector, it is assumed that the LHA has a significant impact on both supply and demand in the housing market. Social housing is related to, but is not part of, that market, and supply and access to social housing are governed by non-market considerations. Tenants are selected, and housing allocated, on the basis of need (in effect, giving priority to those who cannot compete in the open market). Choice – other than in areas of oversupply – is limited or nonexistent, and given the structure of local rents, is unlikely to be influenced by cost. Where demand is highest, availability is lowest, and turnover is correspondingly slow. We believe that without first making far-reaching changes to housing policy, a social housing LHA model would be too artificial to provide any meaningful test of the application of the LHA principles.

Direct payment of benefits into bank accounts

- 1.11 One of the biggest changes to affect customers in recent years has been the Department's programme to transfer payment of benefits by order book and giro-cheque to direct payment into bank or Post Office accounts. DWP officials have told the Committee that, in early 2003, 43% of customers had their benefit paid directly into accounts, with 57% on order book or giro-cheque payment. By 1 April 2005, over 96% of customers received their benefits by direct payment and the rest, just under a million customers, received their payments by cheque. This represents a significant achievement in terms of managed change, in particular for The Pension Service.
- 1.12 However, we do have some concerns about the wider consequences for some customers. For example, there appears to be evidence that some customers may not have chosen the sort of account that best meets their needs, especially when they find that the local service they wanted is no longer available, for example, when Post Offices close down. We would also question whether banks and other providers of financial services are geared-up to meeting the needs of this substantial new group of customers, and are

able to offer more financially inclusive services and facilities. Meanwhile, we believe that there will always be a need for a safety-net system of payment by cash or cheque when all else fails. We have welcomed the assurances from the Department that this service will not be withdrawn without careful consideration and consultation with representatives of vulnerable groups.

- 1.13 In the course of our consideration of the Direct Payment arrangements we have also looked at the wider issue of financial exclusion and communicated our findings to the Government's Financial Inclusion Taskforce.

National Insurance Number allocation process

- 1.14 The National Insurance Number (NINO) is not only an important reference number for the Department (and for HMRC) but, in the absence of identity cards, effectively acts as an identification number. In 2003 a report by Lord Grabiner into the informal economy recommended that there should be investment in more staff as well as better systems and IT to improve the security of the allocation of NINOs. The Enhanced NINO Process (ENP) introduced in April 2001 included additional identity checks plus staff trained in investigative interviewing techniques and document examination. The increased security, however desirable, may have obstructed service to customers, which has often been poor, with many experiencing long delays.
- 1.15 The number of applications for new NINOs has doubled in the past 10 years. In the period from April to December 2004, there were 516,185 applications initiated – a 28.5% increase compared with the same period in the previous year. London and the South East districts receive the largest share of the total. The impact of arrivals from the EU Accession countries has played a part in this increase, although the number of NINO applications from this group appears to be far less than the number of EU Accession nationals thought to be working in the UK.
- 1.16 The NINO Allocation Project (NAP) was set up in 2003 to manage the increasing demand for NINOs and to reduce delays without sacrificing standards of security. NINO allocation has been handled by staff in Jobcentre Plus offices, and NAP included testing a new operating model based on a two-tier system with two Central Control Units, 17 larger hub sites in major cities (four in London) and smaller offices co-located with Jobcentre Plus offices elsewhere.
- 1.17 At a meeting with officials in February 2005 we were told that in London average waiting times for an interview following initial contact were between six and 18 days. The target time for time from contact to issue of the NINO was 86% of applications to be processed in 24 days. We expressed our concerns about the reliability of the IT in use, the effect of increased demand on efficiency savings and the costs of travelling distances to interviews when
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services were concentrated in 'hub' offices. We questioned whether the selective fast-tracking system in use might be discriminating against workers from other EU countries, and so contravene Human Rights and European legislation. Officials have provided detailed responses to our concerns and the Department considers there to be no issue of Human Rights or discrimination. However, the question of reimbursement of the cost of travelling expenses is still unresolved, and we are awaiting confirmation that these costs will be met.

- 1.18 In subsequent visits by Committee members to NINO allocation offices in Tooting, Greenwich Park and Glasgow, we found that staff are dedicated and professional, and that the process appeared to work well in terms of security. However, security imposes a considerable burden in terms of customer service, and we were told that delays of eight weeks are usual in London, even in straightforward cases. There was anecdotal evidence of significant numbers of people either not going through the process at all or failing to attend interviews because they could not get through to offices by telephone, or because they were put off by the distance they would have to travel, particularly if they were only taking short-term or casual employment. The latter problem seemed likely to become worse with the transfer of interviews from local offices such as Greenwich to hub offices such as Tooting. We were concerned about the level of resources that appeared to be available at a time of rising demand, and a level of demand that had not been anticipated. Furthermore, it is envisaged that national roll-out will be achieved with fewer staff than are currently operating the new system.
- 1.19 Officials have maintained their commitment to improving service by achieving the planned restructuring, with a target for the 2005/06 year of 86% of applications to be processed within 30 days of initial contact – this revised target from 24 to 30 days is a reflection of the rise in applications. We shall continue to monitor service provision and the effects of centralisation.

The wider policy agenda

- 1.20 Over the year we have considered a number of proposals for changes and enhancements to the Work-focused Interview (WFI) regimes for the various working-age customer groups. In the main, these represent intensification of existing programmes.
- 1.21 From the outset we have recognised the importance of the 'work-first' approach within the Government's programme of welfare reform, and we have agreed that sustained employment is the best route out of poverty for a large proportion of the Department's customers. Certainly, the steady increase in the overall numbers of people in employment is impressive, and encouraging and supporting those who have difficulty accessing the labour market seems to be producing results. However, we do not believe that the
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research and evaluation of the WFI regimes that has been completed to date has yet demonstrated that greater frequency of intervention, or increased compulsion, necessarily produce better results with harder-to-help customers, particularly those who are not traditional Jobseeker's Allowance (JSA) recipients. The more the WFI policy focuses on those at some distance from the ordinary labour market, the greater the demands that are made on the skills of the Personal Advisers (PAs) working in Jobcentre Plus. At the same time, we are less confident that the resources are being made available to meet those demands. We are concerned that moving ever-greater resources into WFI activity may not be cost-effective, and could even be counter-productive. We would suggest that much more still needs to be done to tackle external barriers to work (inadequate child-care provision, employer resistance to taking on employees who are disabled or overcoming mental health and drug dependency problems or introducing family-friendly working, for example) if the WFI programmes are to continue to produce the looked-for returns.

- 1.22 Our interest in all aspects of benefit conditionality inspired our consideration of benefit sanctions that commenced in 2003/04. We have subsequently been closely involved in the Department's ongoing research into, and review of, sanctions that followed our early work. We had observed that sanctions appeared to be poorly understood by benefit claimants and that certain groups (such as those with literacy problems, younger claimants, customers with mental health problems, and those from ethnic minorities) seem to be sanctioned more frequently than others. We have also observed that sanctions appear to be less effective in supporting and enforcing the Department's 'responsibilities' agenda than has been widely assumed. We await the findings of the Department's research project, but our starting point for our further consideration of sanctions will be that sanctions and/or penalties that are intended to enforce benefit conditionality must be both comprehensible and transparent if they are to be fair and effective. To be fair, sanctions policy must balance the need to enforce the rules and the risk that sanctions may increase social exclusion.
- 1.23 There are a number of major policy announcements in prospect for which we have been making preparations. One particular interest is the forthcoming Welfare Reform Green Paper that we understand will include proposals for changes to the benefit regimes for people who are sick or disabled.

Other customer service developments

- 1.24 All of the Department's customer-facing businesses are in the process of making major changes to the ways in which they are organised and operate, whilst also responding to the Efficiency Challenge that requires a substantial reduction in work-force numbers over the next three years. The pace and scale of these changes, and the uncertainties they present for front-line staff have, in our view, hit morale and, in some cases, had an adverse impact on customer service. It is evident that directing and managing customers' contacts with customer service sites (in effect, reducing 'foot fall' and minimising customer traffic) is an important part of achieving economies and concentrating resources upon key activities. However, we remain concerned that this approach risks excluding those who have difficulties with telephone-based services and for whom face-to-face contact offers the best route to engagement with what are often complex and demanding procedures.
- 1.25 It remains to be seen whether, in the medium-to-long term, service levels can be maintained and/or improved with fewer staff and a more-streamlined organisation operating with better IT and telephony. We have cautioned in the past about over-reliance on technological solutions to support staff cuts, but some of the early feedback we have received about the performance of the new Contact Centres for Jobcentre Plus suggests that the roll-out has hit a number of problems that seem to be typical of the introduction of new processes that have not been thoroughly pre-tested. It is obviously important that all parts of the Department learn and share the lessons of implementing changes on this scale, but it is equally important that the customer-facing businesses are given time to bed-down and assure new procedures and programmes before further change is pressed upon them. Customer confidence (in the efficiency and reliability of the benefit claims and payments arrangements in particular) is a vital part of the successful delivery of welfare reform, and in the process of engaging customers in the welfare reform agenda.
- 1.26 We continue to monitor service developments in Northern Ireland and to receive regular updates from officials in the Department for Social Development. In the coming year we plan to make a Committee visit to Northern Ireland.

Our work with HMRC

1.27 Over the course of the year we have examined the following proposals for legislation:

- The Tax Credits (Entitlement and Maximum Rate) (Amendment) Regulations 2005;
- The Tax Credits Notification of Changes of Circumstances (Civil Partnerships) (Transitional Provisions) Orders 2005; and
- The Tax Credit (Payment by Employers etc.) (Amendment) Regulations 2005.

Our consideration of these proposals, and any advice upon them that we might subsequently offer to HMRC, are governed by the confidentiality conditions contained in the MoU that we signed with the Inland Revenue in 2004.

1.28 The operation of the MoU has not been greatly tested and we have little more than six full months' experience of the new arrangements. Accordingly, we will not be making a formal assessment, or reviewing the MoU until the end of the calendar year 2005, by which time we should have more issues of substance to consider. A full report will be included in our next annual report.

1.29 In connection with the terms and conditions of the MoU, we received in May a request from the Child Poverty Action Group under the Freedom of Information Act 2000 for the release of papers relating to our scrutiny of two sets of HMRC proposals for regulations. The request was refused and at the end of the reporting year there had been no further developments.

Chapter 2

Scrutiny of the Department's public information strategy

Introduction

- 2.1 In this chapter we give an account of the fifth year of the Committee's work examining the Department's public information strategy. The Department's information materials are an important source of reference for the public. Most people will, at some point in their lives, use the Department's services, and the Committee's aim is to make an effective contribution to ensuring that the Department's information products and services meet the needs of its customers.
- 2.2 We have continued to examine the content of a selection of the Department's information products to ensure that they are clear enough for a reasonable person to understand, are not misleading and do not contain any significant omissions. We have continued to assess how effectively a range of information products are being used by staff when handling customer enquiries.

Information products – the fifth year's work in summary

- 2.3 This year we have looked at a reasonable cross-section of the Department's information products. Committee members spend a great deal of time looking for consistency between products and considering whether customers will be able to understand complex procedures and rules. In total, Committee members have commented on 21 individual products that had been produced in a wide variety of formats and styles. Of these, eight were Jobcentre Plus products; 11 were referred to us by The Pension Service; one came from HMRC and one was a generic DWP product. In general, we found the quality of the draft publications was patchy. We found some very good and some fairly poor information products – but on the whole we judged that most were satisfactory after amendment.
- 2.4 In our Seventeenth Report, we noted a reduction in the number of products being referred to us for scrutiny. Similarly, this year there has been a significant downturn in the volume of products. We have assumed that this is mostly due to The Pension Service's main suite of products now being firmly established, with fewer new 'high-risk' products being developed, and the outcome of Jobcentre Plus' leaflet review project being a smaller suite of core products and fewer new leaflets being produced.

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- 2.5 Despite the reduction in the volume of information products, we welcomed the opportunity to focus our attention on a number of new Jobcentre Plus leaflets, as well as giving more thought to the wider context in which this customer information is presented and used by both staff and customers. We hope, in the forthcoming year, to be more closely involved in the Department's overall public information strategy, and to take a more active look at customer information being produced by the Child Support Agency (CSA) and the Disability and Carers Service.

Working with the Department and HMRC

- 2.6 We have continued to maintain a good working relationship with the Department's Internal Assurance Service and effective links with the Department's Communications Directorate. For the most part, our advisory role in relation to individual products has worked more effectively with The Pension Service than with Jobcentre Plus. As our MoU with HMRC beds in we hope to develop our relationship with officials who work on Tax Credit information products.
- 2.7 Our Secretariat team has reviewed and updated the guidance on our role and remit that is contained in the SSAC Business Guide for the DWP (this guidance is also available on our website www.ssac.org.uk). We hope that the revised guidance will help staff working on information products to better understand our role and remit. We have also produced a new version of both the Business Guide and the Service Level Agreement for our work with HMRC under the terms of the MoU.
- 2.8 We commented in our Sixteenth and Seventeenth Reports on the Department's ownership and sign-off arrangements for information products. Information product referrals to the Committee still tend to be made on an ad hoc basis despite the Secretariat's request to senior business managers to alert them to future scrutiny work. Equally, senior input to finished products seems still to be very limited, and we doubt whether the Department's senior sign-off arrangements are an effective measure of quality control and assurance, despite these procedures having been strengthened across the Department. A current concern of ours, and one which we will be looking at more closely in the forthcoming year, is the continuing production of sometimes inaccurate local information leaflets.

Working with the Department on the Corporate Communications Strategy

- 2.9 One of the Quinquennial Review report's recommendations was for the Committee to continue with its scrutiny of the DWP public information strategy, concentrating on 'high-risk' new products but with a shift in emphasis to providing advice on strategy rather than on individual products.
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- 2.10 This year we have had the chance to think about how we might reshape and revive our strategic input with the Department on the development of its information strategy. Whilst developments within the Department on how we should be involved have been rather slow-paced, we have strongly welcomed the move towards the development of a corporate DWP communications strategy. We hope that this will mean that the individual component parts of Department will engage in the development of a more collective and joined-up communications agenda.

***Working with Jobcentre Plus on
the Working Age Information Review Project***

- 2.11 For the past two years, Jobcentre Plus has been reviewing the information it delivers to its working age customers. We have been particularly interested in the Department's progress on the melding of the Jobcentre and social security office brands, and the significant reduction and streamlining of the information product set. We fully support the progress that is being made towards the production of a smaller set of public information documents, with a recognisable single brand. Generally, we think that the new hierarchy of information that Jobcentre Plus has adopted has some useful elements and we welcome the aim to make relevant information more recognisable and easily accessible to customers.
- 2.12 We thought that the main Jobcentre Plus (JCP1) leaflet was well written and informative and that it clearly put across the message that Jobcentre Plus is for everyone. We like the idea of having one product telling the customer about the whole range of Jobcentre Plus services. Our main concern about this product was whether it would work for those customers who are less literate and less able to access wider information resources.
- 2.13 We were able to provide detailed comments on three booklets targeted at core working age customer groups:
- a guide for lone parents (LP1JP);
 - a guide for disabled people, those with health conditions, and carers (DHC1JP); and
 - a guide for people leaving school and college (SC1JP).

These 'level two' products (following leaflet JCP1 in the hierarchy) take a new approach to providing information to customers about services and benefits. All of them are quite bulky, and require a certain amount of cross-referencing. The booklets are attractively designed, and seek to provide a wide range of useful signposts to a range of services and information that may be relevant to particular customer groups. However, we were concerned that so much non-Jobcentre Plus information has been included (all of which would need regular updating, and some of which was not up-to-date at the time of publication), possibly to the detriment of basic benefits and services information.

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- 2.14 We also have some concerns that the decision to take on the task of offering the public (as opposed to core customers) wide-ranging information that goes far beyond the role and responsibilities of Jobcentre Plus has been taken at a time when Jobcentre Plus is seeking to reduce footfall in its local offices. To be used effectively (given that they will in the main be sourced from Jobcentre Plus offices) and made accessible to customers, the new leaflets will need to be displayed and used by staff in ways that will fit with the transaction of business in the local offices (for example, with PAs using them in connection with WFIs, and Floor Managers directing job seekers who are using job points to the leaflet displays). To date, we have not observed that this is happening, and product availability in offices and product awareness among members of staff seem to be very variable.
- 2.15 We look forward to seeing how the development of the 'level three' products (containing detailed benefits and services information) in the hierarchy progresses. We will also be using our visits to operational sites to learn more about how leaflets are being used in practice.

Working with The Pension Service on information products

- 2.16 The quality and accuracy of Pension Service products continues to be in the public eye, but with the main suite of products now well-established, we have been watching with interest the development of e-services and the presentation of 'pensions awareness' information for the wider public. We have been impressed with the new online guide for people planning their retirement (the Smart Start to Pensions). This is easy to navigate and provides helpful information to people with little knowledge of pensions. However, it still remains the case that access to e-services is far from universal and we are concerned that some of the Department's customers will be disadvantaged in terms of information access if the move to web-based information and e-services proceeds too quickly, and does not take account of the needs of those who cannot use these services.

Our conclusions – products and processes

- 2.17 Our overall conclusion is that whilst the quality of the products we see continues to vary, we have seen nothing that appeared to us to be seriously misleading, inaccurate or incomplete. Of all the information leaflets, guides, posters, stock letters, etc. we have seen over the year we were particularly impressed by the set of information products produced by the Department's Civil Partnerships Project. The Committee was impressed with the quality and sensitivity of these information products and with the Department's determination to work closely with external agencies to ensure that they were pitching information at just the right level in what is a sensitive area of policy and legislation. *The Guide to Pension Credit* was also singled out, prompting one Committee member to comment that: "this is a very well-written booklet, possibly the best piece of writing I have seen from the DWP".
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2.18 We remain concerned that the production and assurance processes for information products throughout the Department may still not be as consistent and coordinated as they should be. Equally, distribution, sourcing, display and effective use of leaflets still appears to be somewhat haphazard. We have pointed in the past to the lack of output measures associated with the very substantial production of, and expenditure on, information products in all formats. We hope in the coming year that the Department's new public information strategy will address these concerns.

Chapter 3

Visits

- 3.1 At **Annex A** we list the operational sites we have visited from August 2004 onwards. In addition, we have met Ministers, senior officials of both the DWP and HMRC and many people from the Department and external stakeholder groups in the course of our attendance at meetings, conferences and seminars.
- 3.2 We are grateful to the managers and staff from The Pension Service, Jobcentre Plus, and the Disability and Carers Service for their time and hospitality and for enabling us to gain a valuable insight into their work and the issues facing them. We continue to take a close interest in the work of those members of the Department's staff who deal directly with the public and we continue to be impressed by the commitment of those working in the Department to deliver the best possible service to the public. Many of the offices we visited had long serving, experienced and confident staff who are clearly committed to their work and to helping their customers. We have been impressed that staff have had a say in developing the way in which services are delivered locally – in particular we were impressed with the engagement of staff in the conversion of the Clydebank offices to a benefit processing centre. However, in a number of places we visited, staff attrition rates were high and the lack of job security and the constant uncertainty and change were affecting performance. The challenges staff face in the delivery of key services and programmes are considerable, and, inevitably, the prospect of job cuts, site closures and the centralisation of benefits processing has had an impact on morale.
- 3.3 This year we have had the opportunity to follow through, on a number of themes that have emerged from the mainstream business, our previous visits to operational sites and our dialogue with external stakeholders over the year.
- 3.4 We made just two visits to Pension Centres, returning to sites we have visited in the past. Issues around the restructuring of The Pension Service were much to the fore on both visits (the two Norwich Pension sites are scheduled to be transferred to the CSA and to Jobcentre Plus, and Swansea was in the process of taking on work from Pension Centres that are due to close). Against this background, we noted that a strong commitment to customer service had been maintained, although staff were concerned about the possible implications of the next drive to meet Pension Credit take-up targets.

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- 3.5 We made a number of visits to Working Neighbourhoods projects around the country. We were struck by the dedication and enthusiasm of many of the people working in these pilots, and we have seen positive signs of success. Building links and contacts and becoming active players in the community, has enabled services to engage with disadvantaged individuals in some very deprived areas. However, this is a very intensive, highly localised approach to tackling complex and deep-seated problems, solutions to many of which lie beyond the reach of the pilots. We were concerned to learn that the pilots appear to have started up without adequate financial management arrangements in place and, as a consequence, they lost operational time when they should have been establishing themselves. We have also questioned whether such pilots can be judged on just two years of live-running (with a substantial proportion of their time spent on start-up and exit strategies). The pilots are scheduled to end in March 2006, and we look forward to receiving the initial evaluation results which should be available at the end of 2005.
- 3.6 In connection with our interest in development of work-focused services for people with disabilities, we visited the Regional Disability Centre in Leeds and had the opportunity to look at the excellent range of information technology and other materials that enable customers referred to the centre to test out the sorts of aids and enabling devices that can assist them in employment. This facility added to the impression of a highly professional and well-equipped service. In terms of motivation and professional and technical skills, this is a very impressive service. However, against a background of modest initial returns – and resource pressures – we would question how far this model can be expanded to address the needs of a larger section of the Incapacity Benefit (IB) caseload. Shortages of skilled professionals and of these sorts of facilities will undoubtedly be a constraint on any large scale expansion of the Pathways to Work model in the near future.
- 3.7 We have followed closely the development and roll-out of the Pathways to Work pilots for people claiming IB. Early indications are that this very intensive, supportive and collaborative approach to preparing people for a return to work is paying dividends. However, this model is costly and resource-intensive, in particular with regard to the need for highly-skilled PAs to carry out the one-to-one work with IB customers. Rolling out such a model nationally has considerable resource implications, and risks adding to the already-challenging burden of change and restructuring that faces Jobcentre Plus.
- 3.8 We have also looked at the Department's programmes for lone parents and had the opportunity to meet both PAs and their customers. We have seen examples of professional and innovative work with this customer group, and noted that – as with other WFI-based regimes – the quality of the service is very much down to the skills and qualities of the individual PAs, some of whom, inevitably, are more effective than others. There is also a sensitive balance to be struck between the PA's role in enforcing benefit conditionality,
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and the job of building a supportive relationship with the customers. For example, many PAs we spoke to expressed their concern about the tone and contents of the stock letters sent to customers who have to attend WFIs, and were unconvinced by the case for greater compulsion, believing that it would make their job harder.

- 3.9 We had a very encouraging visit to the Lincoln Contact Centre. What we saw in Lincoln was an example of good practice in the sensitive way staff handled callers and we are of the opinion that the skills, training and preparation of the Contact Centre call staff are the key to the provision of a quality service. When our visits programme resumes in the autumn of 2005 we shall be focusing our attention on the new service delivery sites (Contact Centres – where we are aware that there have been problems over the summer – and Benefit Processing Centres in particular). However, we also plan to link our visits more closely to particular policy themes, including benefit sanctions and more intensive WFI regimes.

Chapter 4

Scrutiny of regulations formally referred to the Committee

- 4.1 **Annex B** lists all the regulations coming into force after consideration by the Committee. One set of proposals was subject to the formal referral procedure – The Social Security (Work-focused Interviews) Amendment Regulations 2005 – and our report has not yet been published.
- 4.2 Our report on one set of proposals formally referred in the previous reporting year was published in 2005.

The Draft Social Security (Incapacity for Work) (General) Amendment Regulations 2003

- 4.3 In the Committee's last annual report (2004) we explained that we had submitted a report to the Secretary of State on the above proposed regulations in May 2003 but that it had not yet been published nor had the regulations been laid.
- 4.4 The proposals would have reversed the effect of the Court of Appeal Judgement in the 'Howker' case (summarised in **Annex B** of our 2003 annual report), which restored the provision allowing a person to be treated as incapable of work if there is a substantial risk to the health of that person if actually found capable of work. The Government's view was that there was a risk that the gateway would be widened over time and that more cases would emerge. The Department was also concerned that there would be a tendency for decision-making bodies to interpret the 'substantial risk' provision more widely than was originally intended.
- 4.5 In our report we concluded that there was no evidence of any inappropriate broadening of the criteria leading to benefits being paid in 'undeserving' cases, as a result of the current position. In contrast, those responding to our consultation suggested that there were a significant number of individuals for whom the current version of regulation 27(b) was crucial to ensuring that income to a number of vulnerable and disadvantaged customers was not disrupted and their lives destabilised. We recommended that no change should be made for the present but that the situation should be monitored, and if the demand for the provision fell, as a result of improved administration, or there was real evidence of exploitation, then the matter should be reconsidered.

4.6 In March 2005 the report was published (CM6491) with a statement by the Government that it had decided to withdraw the proposals for the time being and to gather more information about the operation of the 'substantial risk' provision in practice before deciding whether or not further proposals are warranted.

Annex A

List of the Committee members' visits and meetings

Visits to operational sites made since 1 August 2004

| | |
|----------------------|--|
| 6 August 2004 | The Norwich Pension Centre |
| 27 August 2004 | Portsmouth City Jobcentre Plus |
| 27/28 September 2004 | Highland, Island and Clyde Coast Jobcentres |
| 28 September 2004 | Leeds Disability Centre |
| 28 October 2004 | Newcastle East Jobcentre Plus |
| 12 November 2004 | Chesterfield Jobcentre Plus & Unemployed Workers Centre (Bolsover) |
| 9 December 2004 | Jobcentre Plus City and East London District |
| 22 February 2005 | Tooting NINO Allocation Project |
| 1 March 2005 | Greenwich Park Social Security Office and Deptford Jobcentre |
| 3 March 2005 | Glasgow Benefit Centre processing NINO applications and A8 decision making |
| 7 April 2005 | The Swansea Pension Centre |
| 7 April 2005 | Swansea Jobcentre Plus Working Pilot Neighbourhood |
| 28 April 2005 | Hastings Working Neighbourhood Pilot |
| 28 June 2005 | Inverness Jobcentre |
| 3 June 2005 | Westminster Jobcentre Plus |
| 30 June/1 July 2005 | Lincolnshire and Rutland Jobcentre Plus |
| 12 July 2005 | Ayr Jobcentre and Local Pension Service |
| 13 July 2005 | Clydebank Social Security Office and Jobcentre |
| 18 July 2005 | Grangemouth Jobcentre |
| 25 July 2005 | Belfast Shaftesbury Square Jobs and Benefits Office |

Annex B

Regulations considered by the Committee and coming into force in Great Britain since 1 August 2004

This is a list of those regulations put to the SSAC which the Committee decided did not require formal reference. The list refers only to regulations covering Great Britain: however, in most cases, the SSAC agreed to regulations similar in effect in relation to Northern Ireland.

Statutory Instrument Number:

2004

- | | |
|------|---|
| 1520 | The Income Support (General) (Standard Interest Rate Amendment) (No. 2) Regulations 2004 |
| 1655 | The Back to Work Bonus (Amendment) Regulations 2004 |
| 1708 | The Social Security (Students and Income-related Benefits) Amendment Regulations 2004 |
| 1821 | The Social Security (Claims and Payments) Amendment (No. 2) Regulations 2004 |
| 1869 | The Social Security (Income Support and Jobseeker's Allowance) Amendment Regulations 2004 |
| 2154 | The Social Fund Winter Fuel Payment (Amendment) Regulations 2004 |
| 2174 | The Income Support (General) (Standard Interest Rate Amendment) (No. 3) Regulations 2004 |
| 2244 | The Social Security (Quarterly Work-focused Interviews for Certain Lone Parents) Regulations 2004 |
| 2283 | The Social Security (Retirement Pensions) Amendment Regulations 2004 |
| 2301 | The Social Security (Incapacity) (Miscellaneous Amendments) Regulations 2004 |

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- 2303 The Housing Benefit and Council Tax Benefit (Miscellaneous Amendments) (No. 2) Regulations 2004
- 2308 The Social Security (Miscellaneous Amendments) (No. 3) Regulations 2004
- 2327 The Social Security (Housing Benefit, Council Tax Benefit, State Pension Credit and Miscellaneous Amendments) Regulations 2004
- 2536 The Social Fund Maternity and Funeral Expenses (General) Amendment Regulations 2004
- 2600 The Social Fund Cold Weather Payments (General) Amendment Regulations 2004
- 2825 The Social Security (Housing Costs Amendments) Regulations 2004
- 2984 The Housing Benefit (General) (Amendment) Regulations 2004
- 3368 The Social Security, Child Support and Tax Credits (Decisions and Appeals) Amendment Regulations 2004

2005

- 3 The Social Security (Incapacity Benefit Work-focused Interviews) Amendment Regulations 2005
- 34 The Social Security (Claims and Payments and Payments on account, Overpayments and Recovery) Amendment Regulations 2005
- 48 The Social Security Pensions (Home Responsibilities) (Amendment) Regulations 2005
- 238 The Housing Benefit (General) (Local Housing Allowance) Amendment Regulations 2005
- 273 The Housing Benefit and Council Tax Benefit (Miscellaneous Amendments) Regulations 2005
- 337 The Social Security, Child Support and Tax Credits (Miscellaneous Amendments) Regulations 2005
- 453 The Social Security (Deferral of Retirement Pensions) Regulations 2005
-

| | |
|------|---|
| 454 | The Social Security (Graduated Retirement Benefit) Regulations 2005 |
| 455 | The Social Security (Claims and Payments) Amendment Regulations 2005 |
| 573 | The Housing Benefit and Council Tax Benefit (Miscellaneous Amendments) (No. 2) Regulations 2005 |
| 574 | The Social Security (Miscellaneous Amendments) Regulations 2005 |
| 636 | The Social Security (Intensive Activity Period 50 to 59 Pilot) Regulations 2005 |
| 637 | The Social Security (Intensive Activity Period 50 to 59 Pilot) (No. 2) Regulations 2005 |
| 729 | The Statutory Maternity Pay (General) (Amendment) Regulations 2005 |
| 777 | The Security (Claims and Payments) Amendment (No. 2) Regulations 2005 |
| 1125 | The Employment Zones (Allocation to Contractors) Pilot Regulations 2005 |
| 1551 | The Social Security (Shared Additional Pension) (Miscellaneous Amendments) Regulations 2005 |
| 1719 | The Housing Benefit (General) (Amendment) Regulations 2005 |
| 1744 | The Employment Zones (Amendment) Regulations 2005 |
| 1807 | The Social Security (Students and Income-related Benefits) Amendment Regulations 2005 |
| 1983 | The Age-related Payments Regulations 2005 |

Annex C

Membership of the Committee (as at 31 July 2005)

Sir Richard Tilt joined the Prison Service in 1966 as a graduate entrant, and worked in a variety of prison establishments before governing Bedford and Gartree prisons. From 1990 he worked in Prison Service HQ, first as Head of Industrial Relations, then as Director of Services. In 1994 he was appointed Director of Security, and in the same year he became Director-General. He retired from the Prison Service in 2000. He has been an NHS Chair for four years and is the Social Fund Commissioner. He is a governor of de Montfort University. He was a Churchill Fellow in 1991 and was knighted in 1999.

Kwame Akuffo has been a law teacher since 1982 and he is currently a Senior Lecturer at Ealing Law School, Thames Valley University. He has worked for many years in community relations and community legal service delivery. He is Vice Chair of Ealing Racial Equality Council and runs a free law clinic, the Community Advice Programme (CAP), where he currently serves as chairman. He teaches International Human Rights, Public International Law and Trusts. His research interests include International and Comparative Law, race relations and Law in Development. He also sits as a JP and a member of the Steering Committee of Ealing Community Legal Services Partnership. He was a member of the Independent Monitoring Board at HMP Wormwood Scrubs until February 2004.

Les Allamby is Director of Law Centre (NI). He is a solicitor and sociology and social administration graduate. He is a social security adviser involved in advocacy before the Social Security Commissioner, and with taking cases to the ECJ and ECHR on social security issues. He is currently a member of the Legal Services Commission in Northern Ireland. From 1999-2004 he was the Chairperson of the Standards Committee for Northern Ireland reporting on the quality of decision making for social security and child support. He has written widely on legal and social policy issues.

Simon Bartley is Managing Director of S4 Consulting Limited and Non-Executive Director or Company Secretary of a number of other Companies. He was educated at Durham University where in 1979 he graduated with a BSc in Engineering Science and Management and in 1985 with a MSc in Management Science. He is currently undertaking a Doctorate in Business Administration doing research into Small Businesses and Vocational Education. Simon is a Chartered Engineer, a Member of both the Institution of Civil Engineers and of CIBSE and a Fellow of the Institution of Incorporated Engineers. He is Chair of SummitSkills, the Sector Skills Council for the Building Services Engineering Sector which covers the Electrotechnical, Heating, Ventilating, Air Conditioning, Refrigeration and Plumbing Industries, a Member of The City & Guilds of London Institute Council and a Director of both SFEDI and the Council for Enterprise. Simon's other business representations include him being a Member of the Small Business Council as well as being the immediate past Chair of the CBI's Small and Medium Enterprise Council.

Mrs Brigid Campbell studied Classics before entering the civil service, working mainly with expert advisory committees in the medical field. She subsequently underwent teacher training, spent five years in a Citizens Advice Bureau, and went on to study law and qualify as a solicitor. After a short spell in practice she joined the teaching staff of The College of Law and became the College's Head of Welfare Law, co-authoring the student textbook used for the Legal Practice course. She was appointed to the Independent Tribunal Service (now The Appeals Service) in 1995, and sits part-time, with particular experience in disability and incapacity appeals. Since retiring from the College of Law in 2000 she has returned to Citizens Advice, and is education consultant to The College of Law's Legal Network Television service for its welfare law programmes.

Mrs Elisabeth Elias qualified as a barrister. She sits as a Chairman of the Rent Assessment Panel for Wales and has served as a Magistrate for 18 years. She is Chairman of the Council of the Girls' Day School Trust and a Governor of the University of Glamorgan. She has been Chairman of a Local Research Ethics Committee and a non-executive member of the Board of the Welsh Health Common Services Authority from 1995 to 1999.

Dr Angus Erskine is a Senior Lecturer in Social Policy in the Department of Applied Social Science, in the University of Stirling. He has also been a lecturer at the Universities of Glasgow and Edinburgh and the, then, Sunderland Polytechnic. He has many years of experience working with local area based anti-poverty initiatives and is presently researching social inclusion in rural areas. He was Chair of the Editorial Board of the Journal of Social Policy (1997-2001) and is Review Editor for the Journal of Social Policy. He has researched and written on social security, social exclusion and poverty and co-edited The Student's Companion to Social Policy and The Dictionary of Social Policy.

Mr Richard Exell OBE is the TUC's Senior Policy Officer responsible for social security. He took part in the European Commission's discussions leading to the Recommendations on Minimum Standards in Social Protection and the Guarantee of Benefits and Resources, and was a member of the trade union team in the discussions leading to the conclusion of the European agreement on parental leave. He has acted as rapporteur's expert for the Economic and Social Committee on two reports, including that on Social Exclusion. He is a member of the Disability Rights Commission.

Alison Garnham is Director of Policy and Research at *One Parent Families* and has worked there since 1997. Her track record in the voluntary sector includes work for women's organisations and many years' experience as a welfare rights adviser before joining the Child Poverty Action Group (CPAG) for seven years. At CPAG she co-authored a number of publications about the Child Support Act. She has subsequently written extensively about lone parenthood and child poverty. Before joining *One Parent Families* she was Senior Lecturer in Social Policy at London Metropolitan University (formerly the University of North London) where she remains an Honorary Research Fellow.

Professor Helen (Elaine) Kempson is Professor of Personal Finance and Social Policy Research at the University of Bristol. She is also Director of the Personal Finance Research Centre at the University. For the past 20 years she has undertaken research into various aspects of money management and use of personal financial services, especially among low-income families. In recent years this has included a large body of work on access to financial services and financial exclusion. She was a member of HM Treasury Policy Action Team 14 on Access to Financial Services; a member of the DTI Foresight Panel on Personal Financial Services and a member of the DTI Taskforce on Over-indebtedness. In 2002 and 2004 she undertook two independent reviews of the Banking Codes – the self-regulatory framework for personal and small business banking in the UK. She is currently a member of the HMT Financial Inclusion Taskforce and a non-executive director of the Banking Code Standards Board.

Mr Laurie Naumann took early retirement from the Scottish Council for Single Homeless in 1999. He had been involved in setting it up and was director from 1978. From 1992 to 1995 he was seconded to The Scottish Office Social Work Services Inspectorate. Between 1981 and 1992 he was secretary of the Care in the Community Scottish Working Group. He is currently undertaking a mixture of voluntary and self-employed work in the housing and social service field and on voluntary sector issues, mainly in Scotland. At present he is Chair of the Highland Housing and Community Care Trust and the Consultation and Involvement Trust Scotland; a trustee of the Refugee Survival Trust and a board member of Garvald Training Centre for people with learning disabilities, the Scottish Refugee Council, the Kingdom Association and the Voluntary Action Fund.

Professor Anthony Ogus CBE holds a Chair of Law at the University of Manchester, having previously held appointments at the Universities of Leicester, Oxford and Newcastle-upon-Tyne. He has worked with social scientists in appraising different aspects of law and has written extensively on welfare law, including a textbook on social security. He is a member of the Editorial Advisory Committee of the Journal of Social Security Law. He has also served on committees of the Economic and Social Research Council.

Professor Janet Walker is Director of the Newcastle Centre for Family Studies and Professor of Family Policy at the University of Newcastle upon Tyne. She has directed over 40 studies in the fields of marriage and divorce, parenting, and criminal justice, many of which have involved the evaluation of government initiatives and proposed legislative reforms. She has been an expert consultant for the Council of Europe and a Non-Executive Director of Newcastle City NHS Trust where she was responsible for dealing with complaints from the public. She has worked closely with statutory and voluntary sector services, and is a member of the Board of Trustees of the National Family and Parenting Institute. She is a Fellow of the Royal Society of Arts and of the Academy of Learned Societies for the Social Sciences.

Professor Robert Walker is Professor of Social Policy, University of Nottingham and Research Fellow at the Institute for Fiscal Studies. He has devoted his career to informing policy advance on issues related to social security, poverty and social exclusion in Britain and elsewhere through the assembly and dissemination of evidence and by direct engagement in the policy process. After a spell in the civil service, he worked at the Universities of Kent and York before directing the Centre for Research in Social Policy at Loughborough University. He has undertaken over 60 research projects and published 15 books. He is a Fellow of the Royal Society of Arts.

Annex D

Financial statement

The Committee held 14 full meetings in the financial year 2004/05. The Chairman is paid remuneration of £20,000 per annum. The daily fee for other Committee members (at July 2005) is £205. In the year ending 31 March 2005 expenditure on remuneration, fees, travel expenses, subsistence and accommodation for the Committee Chairman and members totalled £69,529.32.

Social Security Advisory Committee

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