

A. Member's discussion

A.1. The **Chair** advised that Carolyn George has been appointed as a member of the Committee following the recent recruitment exercise. She will attend the May meeting. In addition, in line with the recommendations of the Chant Review of the SSAC / HMRC Memorandum of Understanding, John Andrews has been co-opted to the Committee. The **Chair** welcomed Mr Andrews to the Committee.

Private Session (A2 to A4).

A.5 The Chair welcomed Frances Wood, Adrian Dixon and Dan Cross as observers to the meeting.

1. Minutes and Action List

1.1 The minutes for the March 2009 meeting were approved after corrections.

1.2 Item 3.12. A **Member** asked if any information had been received from Ms Young. The Secretariat is to pursue this.

1.3 Item 6.11. The **Secretary** advised that Members have been sent an explanation of the regulations.

1.4 The report on regulations cleared by post since 4th March 2009 was circulated before the meeting as below.

No.	Title of paper
17/09	Health in Pregnancy Grant - Decisions and Appeals Regulations. <i>Cleared 9/3/09.</i>
18/09	The Social Security (Additional Class 3 National Insurance Contributions) Amendment Regulations 2009 <i>Cleared 13/3/09</i>

Expected items.

Due 15/4/09	Compensation recovery regulations. Turner & Newall workers – Pneumoconiosis.
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2. Chair's Report

2.1 **The Chair** reminded Members that the June meeting is in Cardiff. Members should aim to arrive in Cardiff by 14.30 at the latest, and departure can be any time from 13.00 the following day. The **Secretary** reminded Members of budgetary constraints. She asked members to submit travel needs to the secretariat for booking as soon as possible in advance.

2.2 An update on Flexible New Deal (FND) has been tabled. The FND, capping of Local Housing Allowance (LHA), and pay day and periodicity Command Papers have been circulated. Members were asked to send any responses to the Secretary by next week. Officials had been asked for an

update on FND, to include how the 'accepted' recommendations will be taken forward. The **Chair** reported that the LHA concession, on the extension of the transitional protection, has been widely welcomed. A **Member** expressed concern that the 60/40 decision on the FND funding model was not in the letter.

2.3 The **Secretary** reported that the 'Zimbabwe' regulations will come to the May meeting.

2.4 Two **Members** reported that they had attended an event hosted by the Secretary of State on the DWP Customer Charter. They considered the event and approach to consultation – although welcome in themselves - to have been unsatisfactory in a number of respects. A **Member** said that delays in handling complaints were high on the list of issues to be resolved by the Department, as was the need to resolve difficulties quickly and without undue formality. **Members** also noted it is important that people feel that they have been treated properly, and that they can have confidence in the systems and processes that are involved in claiming benefits. One issue for customers was how to identify who is the right person to contact and speak to when things go wrong, or further information is required. A summary note of the meeting will be circulated. The **Secretary** reminded members that a briefing on the Charter from the DWP officials involved had already been circulated. Officials will be coming to the July meeting.

2.5 A **Member** explained the HMRC approach and how their draft charter appears to be the externalisation of the internal 'HMRC Vision'. He advised that stakeholders want something which is open to challenge. The intention had been that the DWP and HMRC Charters would be launched at the same time by Ministers, although this now looked unlikely.

2.6 **Members** expressed their strong concern about the HMRC use of phrase 'relentlessly pursue', in relation to their approach to fraud and evasion. A **Member** also raised concerns about the real value of the DWP's and HMRC's consultations. **Members** asked that the SSAC response to the consultations should emphasise that the approach to both charters is distinct and different and that there could be more read across. An opportunity for seamless delivery is being lost.

2.7 The **Chair** advised that a letter will be sent to both Ministers in May.

2.8 The **Secretariat** reported that IPPR is carrying out a substantial, well-funded project on the PA role; this would appear to cut across SSAC's PA project. **Members** advised that it might be wise to see any preliminary IPPR report and for the Committee to possibly contribute something of its own at a later stage. **Members** were keen that the Committee should signal its role of the PA, and they asked the Secretariat to arrange to meet with IPPR.

2.9 The **Chair** thanked those members who contributed to the draft letter on lone parent conditionality and childcare. **Members** spoke about falling numbers of childcare providers, the move to cheaper informal childcare, increases in the numbers of young children using childcare and differences

between statistics from the DWP and those in the Labour Market survey. Concern was expressed about the reduction in numbers of lone parents participating in the labour market at the same time as introducing increased conditionality. The letter will be finalised and sent as soon as possible.

2.10 The **Chair** asked Members to check the draft of the letter on the Welfare Reform Bill. A **Member** drew attention to the Northern Ireland decision not to extend the capping of HB to the five bedroom rate. **Members** agreed that the letter might draw attention to this, without comment.

2.11 **Members** drew attention to the range of different initiatives across the United Kingdom which should but do not interlock. One **Member** gave the example of the registration of unmarried fathers which will not apply in Scotland and Northern Ireland. Other Members perceived an English centricity in some policy approaches which does not reflect the complexities linked to devolution. One Member drew attention to differences in the rules on Child Maintenance and Support which can impact on benefit entitlement.

2.12 A **Member** asked that the first sentence in the letter on the welfare reform bill, about goods and services, be changed to make it easier to understand and for the second sentence to be revised. Another **Member** advised that work on Community Care Grants indicates that some people will be better off if they receive goods. The **Chair** noted that the issue is one of better use of money. Some **Members** were concerned by the reduction of choice when the general emphasis in the bill is about increasing choice. Other **Members** recollected how the old single payments system could lead to the delivery of dangerous goods; how few got the amount that they needed and that there had been evidence of mis-spending. Members agreed to note the point that there has been a breach of the general principle of claimant choice.

2.13 The **Chair** reported that the Minister of State will attend the meeting of 6th May 2009 at 2:30 pm. The Work Programme sub committee is due to meet that afternoon, so the next meeting will finish late.

2.14 The **Secretary** has circulated details of a Pensions Stakeholder Seminar that may lead to more engagement on ageing society policies and pensions information and communications. The **Chair** asked Members to think about how they would like to pursue these topics.

2.15 The **Chair** advised that the Rights and Responsibilities paper is almost complete. It will be discussed at the June meeting, along with a proposed letter and advice to the Minister. **Members** agreed that the paper will be published but not the advice. **The Chair** thanked Members for their contributions to the paper.

3. **Presentation on the Transitions to Work project**

3.1 **Mr Chris Burston** and **Ms Amy Morgan** (Benefit Strategy Directorate) gave a presentation on the 'Transitions to Work' project and answered questions from Members.

3.2 **Mr Burston** explained that the long term Benefit Strategy Directorate is in the process of carrying out an internal review of the transition to work, including both a review of policy and evaluation evidence. The project is investigating what DWP policies which support the transition to work should look like over the next few years. The project is focusing on three key areas of the transition to work: preparing for work; support in transition; and staying in work. The review will draw conclusions and make recommendations by June 2009. Although there is no formal consultation process, the project team would welcome comments from SSAC. There are currently no plans to publish the findings.

3.3 **Mr Burston** noted that while the project was looking at the financial incentives to return to work, it also needed to address the clear non-financial difficulties for people making the transition into work. He highlighted the complexities in the current benefit system, particularly in respect of earnings disregards.

3.4 **Ms Morgan** presented findings from the evidence review. She noted that although most of the evidence looks at financial aspects, the project also wants to focus on claimant perceptions. **Ms Morgan** reported that the 'making work pay' agenda seems to be working. The transitions project team has modelled transitions into work and, for minimum hours at the minimum wage, few claimants left in the system are financially worse off in work.

3.5 **Ms Morgan** reported on forthcoming research amongst DLA recipients (as yet unpublished), which highlighted the perception that some individuals felt they may be better off on benefit. A **Member** noted that this may highlight the issue of fraudulent claims. **Ms Morgan** agreed, but was concerned that this was a difficult area to research. However, a **Member** noted that she was aware of HMRC work in this area and invited Ms Morgan to get in touch if she required further information.

3.6 **The Chair** welcomed the review and noted that SSAC were concerned about the Better Off Calculation (BOC), particularly regarding what is left out of the BOC. **Ms Morgan** noted that this issue was also coming out of the review.

3.7 A **Member** raised the issue of the transition to work being an unstable period, even if in general a person will be better off in work. He noted that the transition was even more significant for lone parents, e.g. in relation to paying childcare costs upfront. **Mr Burston** highlighted the need for a better structure of payments, particularly ad hoc payments such as the Adviser Discretion Fund (ADF). He also noted that the project had highlighted the need for better information products, possibly in the form of an information pack for Jobcentre Plus.

3.8 A **Member** suggested that the project team might like to review the 'In work, out of work' SSAC report (1994). The **Member** also noted that the focus on transitions highlights the importance of administrative errors, particularly since claimant experience can have a huge impact on attitudes towards the transition to work.

3.9 A **Member** raised the importance of debt in the transition to work, with claimants often pursued quickly by creditors once they move into work. **Mr Burston** noted that the project had identified debt as a problem and would be recommending the provision of good debt advice during transition. A **Member** noted that advice on dealing effectively with creditors was what was required, rather than simply debt advice. This was a particular issue for claimants with mortgages; the biggest work disincentives are for home owners, not tenants. **Mr Burston** noted that there was a need to look at how to link into other means of support for claimants of Mortgage Interest Support. A **Member** also highlighted the fact that Government has recently become more rigorous about chasing repayments (e.g. for Social Fund loans) and questioned whether there could be a period of grace during the transition to work.

3.10 A **Member** noted that the potential loss of passported benefits seems to be an important factor to examine and that the costs of working, such as fares, need to be factored in to the transition. The **Member** also noted that being better off in work is not necessarily a permanent state, and that someone could be better off for a while, but not in the longer-term; for example given that Tax Credits are based on the previous financial year's income.

3.11 **Members** also highlighted the transition back from work (and Tax Credits) on to benefits. This needs to be a smooth transition, to make moving into work more attractive.

3.12 A **Member** noted that mini-jobs are an important way of getting people back into the labour market and suggested that earnings disregards could be improved, for example by allowing a higher disregard for a longer period of time. Another **Member** highlighted the issue of non-dependents and work disincentives; disproportionate non-dependant deductions can act as a disincentive to work.

3.13 The **Chair** thanked **Mr Burston** and **Ms Morgan** for the presentation and asked about the next steps for the project. **Mr Burston** noted that they will develop a range of workable propositions – short, medium and long-term – and will present these to the Minister. **Mr Burston** confirmed that comments on the review from SSAC will be very welcome.

4. **The Social Security (Incapacity Benefit Work-focused Interviews) (Amendment) Regulations 2009**

4.1 **Ms Rebecca Major**, Jobcentre Plus, Welfare Reform Programme and **Mr Alan Davidson**, Disability and Work Division presented the item.

4.2 **Ms Major** explained that the proposals would extend conditionality for existing Incapacity Benefit (IB) customers aged 18 to 24, in Jobcentre Plus Pathways to Work areas, who have been claiming for 12 months or more. **Ms Major** said that the proposals would also amend a number of minor drafting errors in the original regulations and that these amendments were listed in Annex 4 of the Explanatory Memorandum (EM).

4.3 **Members** had raised a number of questions on the proposals prior to the meeting to which Mr Davidson responded. **Mr Davidson** explained that the Impact Assessment (IA) referred to in the EM did not give details about the under 25-age group. However, a full IA covering existing IB customers under 25 had been published for the DWP December 2007 White Paper *Ready for Work: full employment in our generation*. This White Paper included the announcement that Pathways to Work conditionality would be extended to existing customers under 25. **Mr Davidson** agreed to include references to the White Paper and the associated IA in a revised EM. **Mr Davidson** said that the government had decided to start with the under 25s because as quoted in the IA - "... there are good reasons to start with young people given the recent increase in new incapacity benefits claims by this group and evidence that youth unemployment is particularly scarring and reduces life chances significantly, both in terms of future wage and employment prospects and mental health outcomes."

4.4 **Mr Davidson** said that people under the age of 25 represented 18 per cent of the number joining incapacity benefits and that the proportion had been stable for a number of years from 2001, but with some recent upward movement. A **Member** asked if the numbers within the 18 per cent that claimed IB straight from NEET was known. **Mr Davidson** said that he did not have the numbers with him but that he would forward whatever analyses were available to the committee. **Mr Davidson** also said that research evidence indicates that it is far more detrimental to well-being and life chances to claim IB without ever having worked, which was another reason for targeting this group. **Mr Davidson** said that the government had decided to act now because they felt it was even more important during this economic downturn to continue with welfare reform to support people on incapacity benefits to return to work, unlike in the 80s/90s when people claiming IB were more or less written off. **Mr Davidson** said that the government also thought it important to continue with the aspiration of getting 1m people off incapacity benefits by 2015 and closing the gap between the employment rate of disabled people and the overall employment rate.

4.5 A **Member** commented that in January 2008, for every four people claiming Jobseeker's Allowance (JSA) Jobcentre Plus held one notified vacancy, but that in January 2009 the number claiming JSA had risen to ten for every notified vacancy. The **Member** said that even though only a third of all vacancies are notified to Jobcentre Plus, there were simply not enough vacancies to go around. The **Member** commented that the departmental mantra appeared to be 'work is good for your health and well-being', and we have evidence to prove it. The **Member** said that what the evidence actually says is that 'good work' is good for your health and well-being and that 'bad work' is not good for you. The **Member** said that this move to push people towards work, any work, because it is good for them is questionable because it is just not so. The **Member** referred to Annex 3 question 3 of the EM and commented that it appears to say that all people with disabilities will be treated the same way. The **Member** said that the evidence has shown Pathways to have been of very little help to people with mental health problems and that he would like to see the Equality Impact Assessment (EIA) address this issue.

4.6 A **Member** agreed with the comments, and said that the 18 to 24 year old group were very diverse, and that their age was probably the only thing many of them had in common. The **Member** referred to section 7 and in particular Para 7.3 of the EM and commented, given the diverse nature of this group, that he was struck by the minimalist approach taken and language used.

4.7 **Mr Davidson** said that early research into Pathways had shown that customers with mental health problems did not do so well; however, later research reversed these findings. The **Chair** asked if the committee could have sight of this evidence. **Mr Davidson** said that he would provide the committee with the data. In relation to the diverse nature of the group, **Mr Davidson** said Jobcentre Plus advisers were accustomed to working with people in this age group as they had done so since the Pathways to Work pilots which started in 2003; these regulations were not introducing mandatory interviews for the first time.

4.8 The **Chair** asked for clarity on the complexity that these proposals might introduce. **Mr Davidson** said he would give further explanation in the revised EM.

4.9 A **Member** commented that it would be very useful to have details on the numbers of people who have worked and those who have never worked, who may be affected. The **Member** referred to Para 7.11 (Costs and Benefits) and said that the financial impact draws on evidence of other groups and is not likely to be helpful. The **Member** commented that it would be more convincing if a direct read across could be demonstrated. The **Chair** agreed and added that the section dealing with Costs and Benefits required much more detail, including detail on costs, which he would like to see in the revised EM. **Ms Major** said that further explanation would be included in the revised EM.

4.10 The **Chair** commented that Para 3.2 reads as if it had been written prior to the economic downturn and should be reconsidered.

4.11 A **Member** said that Para 7.11 refers to four per cent of customers that are expected to come off benefit and asked, if there are so many jobs available, why had the government changed the Flexible New Deal (FND) contracting procedures.

4.12 A **Member** said that Para 4.7 should make it clear that it refers to stock and said that she found the table at Para 7.4 very hard to understand. **Ms Major** said that the detail would be clarified and expanded in the revised EM. **Ms Major** added that the process would remain the same as now and that advisers would be fully trained IBPAs.

4.13 A **Member** asked what research had been carried out with employers, given that they had greater choice at the moment. **Mr Davidson** said that any available references could be provided in the revised EM.

4.14 A **Member** asked for details of the research referred to in Para 3.2. **Mr Davidson** said he would provide the references.

4.15 A **Member** commented that it would be useful to have detail on the characteristics of the group, for example the gender split, numbers exempt from the Work Capability Assessment and the nature of the disabilities. Another **Member** added that it would also be useful if Para 12.1 was expanded and more detail provided on the impact on customers who live in rural locations. The **Member** said that it would also be useful to have further detail on the Pathways Advisory Service (PAS) pilot mentioned in Para 5.5.

4.16 The **Chair** thanked officials and asked them to return with a revised EM containing greater detail on: characteristics of the group, costs and benefits, research details, economic situation and use of sanctions. **Mr Davidson** sought clarity on information required on sanctions. The **Chair** asked for detail on the use of sanctions and the disproportionate effect, if any.

5. Presentation on JSA Mandatory Training Regs. (Paper 20/09)

5.1 **Rowan Foster**, **Anne Donkin** (both DWP) and **Gareth Thomas** (LSC) attended the meeting to provide a high level description of the JSA mandatory training pilots that will be presented to the Committee as regulations later in the year. The presentation and discussion provided an opportunity for Officials to gather information about the issues that will need to be included in the Explanatory Memorandum accompanying the regulations. **Ms Donkin** provided a brief background to the pilots to supplement the information provided to Members in an advance paper. She noted that the pilots presented the idea that claimants 'sign up for benefits, sign up for skills'. Officials need to ensure that the pilots are workable and that the evaluation is robust.

5.2 A **Member** asked about the primary legislation for the regulations and **Ms Foster** replied that it lies in the 1996 Jobseeker's Act. The **Chair** asked about the basis for the expectation that very few claimants would be sanctioned as part of the pilots. **Ms Foster** replied that they had undertaken some modelling around the likely numbers in the pilots and looked at evidence from similar schemes. For example, in ESF training very few participants left the training for negative reasons. In fact, only five percent left for the type of reason that would result in a sanction in the JSA training pilots.

5.3 A **Member** asked about the evidence that supported the need for a mandatory training pilot. **Ms Donkin** replied that testing mandatory training was a Government priority linked to the message that benefit receipt and skills development fit together. The **Member** added that if the pilot involved mandatory training as a 'last resort' it did not support the use of random assignment, as the pilot would not just randomly assign participants who initially refused to attend training. **Ms Foster** noted that the pilot would involve randomly assigning claimants at the point at which a training need was identified. **Mr Thomas** added that in the Integrated Employment and Skills areas there was significant investment in new training provision, yet early evidence from the West Midlands pilot showed that take-up had been

lower than expected. There is no new training specifically designed for the pilot but there will be new training courses that pilot participants will be able to access.

5.4 A **Member** asked about the length of the training. **Mr Thomas** replied that training was designed to be compatible with benefit rules and ranged in length from a few weeks full-time to longer-term part-time provision. There was a discussion about the types of skills that employers are looking for in employees and whether it would be possible for relatively short-term courses to provide either employability or vocational skills that would be useful to employers. **Mr Thomas** noted that there were funds from a variety of agencies for the new courses but that the new provision would not be able to deliver the solution on its own. A **Member** noted that Jobcentre Plus Personal Advisers would need to develop a good understanding of a complex package of training.

5.5 The **Chair** asked about what would happen to an unemployed person who had a range of good quality skills that did not match the local labour market and who did not want to re-skill. **Ms Foster** replied that this issue reflected the broader question of what happened within the JSA regime and that this regime requires the individual to broaden their job search as they reach later stages of the regime. Therefore, there is a possibility that through this regime customers could be required to consider jobs outside their chosen area if they are available. If the customer needs training to do this and we have appropriate training available then they may fall into this pilot.

5.6 A **Member** noted that the Explanatory Memorandum would need to be clear on the number of participants in the pilot, the type of training, the existing skills level of participants and the characteristics of people who would potentially be sanctioned. **Ms Foster** replied that they had been working with experts from MDRC on the pilot design and that they believed they had sufficient numbers for a robust pilot. They had also been doing some initial analysis of the impact of the economic downturn that showed there was a negligible impact on the type of jobs that people are looking for.

5.7 A **Member** asked about the relationship between existing powers and the powers introduced by the pilots, given that there were already powers to sanction claimants who did not comply with a jobseeker's direction. **Ms Foster** replied that the Jobseeker's Act can only mandate people to a one-off action, so it is not suitable for mandating claimants to stay on a training course. The **Member** noted that Officials should check on the current sanction regime set out in the 1996 Act to see whether there was indeed a need for the proposed regulations.

5.8 A **Member** queried the statement in the presentation notes that childcare will be available for participants, especially given the shortage of childcare for groups such as the over 12s. **Ms Donkin** responded that the pilots would include costs for travel and childcare. A **Member** noted that the Explanatory Memorandum should consider how teachers and other participants feel about being involved in training course where some people had been mandated to attend. The **Chair** concluded the discussion by

highlighting the fact that the Explanatory Memorandum will need to contain information on who the pilot will affect, and the costs and benefits of the pilot.

6. Presentation on the Drugs Strategy.

6.1 **Mr Barrie McGevor** (Jobcentre Plus project manager) and **Ms Mary Curran** (Drugs policy lead) spoke about the proposals for the Departments Drug Strategy and answered questions from Members. **Ms Curran** and **Mr McGevor** gave a brief account of the background to these measures.

6.2 **Ms Curran** set out some background information. The focus of the strategy was on re-integration of problem drug users back into mainstream society by ensuring that they have access to the support and services that they need to help them to address their problem. This would be achieved through improved links between support services and Jobcentre Plus. The policy would initially be directed towards crack cocaine users and heroin addicts. It was estimated that over 70 percent of this group are in receipt of benefits. The new referral route will initially be voluntary; however, it will be made mandatory at a later date.

6.3 **Mr McGevor** explained that the new referral route would be introduced in English Jobcentre Plus districts only. Discussions were ongoing with the Scottish Government and the Welsh Assembly Government about extending the referral process to Scotland and Wales.

6.4 The new referral route will be supported by the introduction of drugs coordinators. These new posts are funded by the Department of Health. Each District has at least one coordinator and each region has a strategic manager to oversee the coordinators work. The coordinators will ensure that there are strong links between Jobcentre Plus and the treatment sector. Drug coordinators will up-skill advisers to enable them to deal with this client group. **Mr McGevor** explained that a key consideration was to have a single point of contact for customers, with advisers being up-skilled to deal with such enquires. **Mr McGevor** explained the high level process and where the interventions would take place.

6.5 The coordinators took up post from 1 April and the new referral route will be introduced from 27 April.

6.6 **Mr McGevor** discussed the implementation which would include training for advisers and awareness across JCP; changes to guidance would be made to reflect the new process. He also explained that the numbers would be relatively small and so wouldn't create a substantial impact.

6.7 The introduction of some mandation to the referral route would require the use of powers in the current Welfare Reform Bill. Regulations aren't expected to be in place before December 2009. These will allow for the direct questioning of customers and the mandating of customers to attend the initial appointment and treatment. Treatment Providers will report attendance and compliance back to the Department. **Mr McGevor** explained that the evaluation for the new process was being developed.

6.8 **A Member** observed that they were unsure how this would work in reality. They asked how sanctioning a customer with a 'health problem' would help the customer. **Mr McGevor** stated that the initial process won't include sanctions as it is voluntary. The policy intention is to ensure that customers with problematic drug use receive the advice and guidance that they need. This new process was to give customers a 'nudge' in the right direction. Customers would be encouraged to take this path prior to mandating.

6.9 **The Chair** asked how long any sanctions would last and what would happen if the customer refused. **Mr McGevor** stated that sanctions would mirror those already applied in the benefit system. Potentially they could apply for up to 3 months; however, this would have further checks built in. It was hoped that the close links with other agencies would have an impact on the take up and that the refusal rate would be low. **The Chair** also asked if the customer first attended the appointment and then dropped out of the programme would sanctions still apply. **Mr McGevor** stated that no sanctions would apply. The policy is simply to get the customer to attend a discussion with a drug treatment specialist to find out about the support that is available to them.

6.10 **The Chair** also asked about the number of customers this was likely to affect and about the availability of treatment in the areas. **Mr McGevor** stated that the number of customers estimated to be affected by the introduction of the measures would be low. There are about 240,000 problem drug users in England on benefits. About half of this group are already engaged in treatment. The expectation is that relatively small numbers of the remainder will be identified and referred through to the discussion and a subset of these would opt to go onto treatment. The current average waiting time for treatment in England is two and a half weeks.

6.11 **A Member** focused on homeless customers and asked how the policy was meant to be an incentive; these measures would only be seen as an irritant to them. The **Member** also asked what involvement the Department had had with the organisations who spend time with these customers to gain their trust. **Mr McGevor** responded, stating that these organisations had not been targeted in the development of the proposals; it has been a priority to work to establish links with Drug Charities. Again, the measure will simply put people in touch with a treatment provider. **A Member** replied this could be a duplication of efforts if the Department was ignorant to what work was currently being undertaken by these organisations. **Mr McGevor** stated that this would be undertaken by the drug coordinators in local areas.

6.12 **A Member** noted that an effect of the introduction of such measures will be to place an extra burden on charities and asked whether the Government intended to compensate them for this and whether this arrangement was sustainable. **Mr McGevor** stated that this issue hadn't been considered.

7. Presentation by Frances Wood, Deputy Director, Social Inclusion, Scottish Government

7.1 **Ms Wood** gave members a broad overview of her role and the work of the Scottish Government in tackling poverty and income inequality. She told Members how the Scottish Government's Economic Strategy plans to improve opportunities and reduce inequalities through sustainable economic growth. The recession will be an issue in working toward the Solidarity Target. (To increase overall income and the proportion of income earned by the three lowest deciles as a group by 2017). The Scottish Government works through a Concordat with local government. The long term focus is on tackling the root causes of disadvantage, including early years and health inequalities.

7.2 **Ms Wood** explained the principles by which the Scottish Government seeks to improve the benefit and tax credit systems. These can be found in the anti-poverty framework document *Achieving our Potential*, which can be accessed at the following link –

<http://www.scotland.gov.uk/Publications/2008/11/20103815/0>

Consultation with key stakeholder groups was facilitated by the Poverty Alliance. Concerns include the ages of children when lone parents are to be expected to move into work.

7.3 In describing relations with the Department for Work and Pensions, **Ms Wood** noted the broad consensus and agreement on many issues, and the range of contacts between Ministers and officials. There are some disagreements about welfare reform, particularly around mandating. The Scottish Government is seeking to take a strategic overview of the issue in its engagement with Westminster.

7.4 **Ms Wood** reminded members that the devolution settlement gives Scotland the ability to take a different approach to social policy, yet much UK social security policy does not appear to take account of the different needs of Scotland, Wales and Northern Ireland.

7.5 Examples include the capping of housing support for those in larger houses, where issues in London are different from those in Scotland. **Ms Wood** said that the introduction of mandating in relation to drugs users in the Welfare Reform Bill may increase criminality and child poverty. 'Skills' is devolved to Scotland. Integrated employment and skills pilots are being run but there is no new money to overcome barriers to work such as childcare and transport. These issues cannot be resolved overnight. Scotland is a country of many small towns and shift workers; lone parents and those with children aged 12 to 14 should not be penalised because of the lack of suitable childcare or transport. **Ms Wood** reported that individuals who have been unemployed for more than 6 months want extra support but need to have a say in determining personal outcomes and the Scottish Government is working with DWP to ensure appropriate provision. Kinship carers are common in Scotland and supported by Local Government through allowances. However, any financial help is often taken straight back by the UK tax and benefit system. This is especially a problem for addicts, where grandparents often care for the children. The Scottish Government has been

involved with the developing Housing Benefit reform but does not agree with all the proposed reforms.

7.6 **Ms Wood** advised members about the economic recovery programme and recommended the website to members. The Government Economic Strategy, the response to the First Annual Report and the recently published update to this can all be accessed at the following link – <http://www.scotland.gov.uk/Topics/Economy/economic-situation>. In the downturn, the emphasis still needs to be on those who are furthest from the labour market, by stimulating the economy as much as possible and by additional support for individuals. Examples included a new, targeted, energy assistance package, a million pounds for CAB Scotland for more face-to-face advice and extra funding for benefits checks to increase uptake.

7.7 **Ms Wood** told members how the Calman Commission had identified the potential for further devolution in relation to social security. A paper will be published in May or June by the Scottish Government about benefits, tax credits and employability for Scotland. **Ms Wood** invited members to contribute/submit comments – this is likely to be required in the period to end September 2009. **Ms Wood** will advise SSAC when the consultation paper on benefits and tax credits in Scotland is released. Members were asked to submit comments by a date to be confirmed.

7.8 **The Chair** asked about the different approach on employment and skills. **Ms Wood** answered that the Scottish Employability Forum is made up of key players at national level, including the DWP, and there are also local partnership forums, typically involving Jobcentre Plus, employers and the local authority. The general approach does not involve mandation but addresses barriers to employment, often health.

7.9 A **Member** asked about the Housing Benefit experience and other reforms from London. Another **Member** asked whether London-driven concerns gave breathing space for Scotland. **Ms Wood** replied that this was a case for more devolution. There are very different circumstances in Scotland, and Housing Benefit and Council Tax Benefit are already administered by Scottish local authorities. However, this would involve both opportunities and difficulties if there were a one-off transfer of money. A **Member** asked if there was a will for this to happen. **Ms Wood** said that both the Church of Scotland and the TUC commented on this to the Calman Commission and Scottish Ministers would raise these issues in their forthcoming discussion document.

7.10 **The Chair** thanked Ms Wood for her presentation and answers.

8. Action Points for SSAC and Action Taken

AP & Para.	
8.1 A2 & 4.16	Amended papers on IB Work Focused Interviews to be ready for mailing to members on 1 st May.
8.2 2.1	Members to submit travel requests as soon as possible, to help with the budget.
8.3 2.6-7	The Secretariat is to draft a response on charter consultations which notes members concerns. A letter is to be sent to both ministers in May. [Ongoing]
8.4 2.8	The Secretariat is to arrange for the Committee to meet with the IPPR about the role of Personal Advisors.
8.5 2.9	The letter for the project on lone parents and conditionality is to be finalised and sent as soon as possible.
8.6 2.10 - 12	The welfare reform letter is to go to members for amendment.
8.7 2.15	When completed, the Secretariat is to consider arrangements for the publication of the Rights and Responsibilities paper.
8.9 7.6	Frances Wood to advise SSAC when consultation paper on benefits and tax credits in Scotland is released. Members to submit comments by a date to be confirmed.