

MINUTES OF MEETING HELD AT NEW COURT ON 6TH AUGUST 2008

Present: Chair: Sir Richard Tilt

Members: Mr K Akuffo
Mr L Allamby
Mr S Bartley
Mrs BG Campbell
Dr A Erskine
Ms A Garnham
Mr L Naumann
Professor A Ogus
Ms P Smail
Professor J Walker
Professor R Walker

Officials: Ms. C Kelham (Item 3)
Ms A Beer (Item 3)
Mr D Keir (Item 4)
Ms A Durbin (Item 4)
Mr N Hall (Item 4)
Mr T Read (Item 4)
Ms J Autherson (Item 5)
Mr G Rodgers (Item 5)
Ms B Walsh (Item 6)
Mr G Turner (Item 6)
Mr P Patterson (Item 6)
Mr S Brooke (Item 7)

Secretariat: Ms G Saunders
Mr M Langdon
Mrs E Harnett
Mr J Allen

Observers: Mr M Keegan, Ms S Lonsdale.

Apologies: Mr R Exell, Professor E Kempson

1. Minutes of the meeting on 2nd July 2008 and matters arising.

[Reserved Item].

1.2 **Members** asked that HMRC be reminded about concerns over deferred Tax Credits. In particular that imputed CTB / HB entitlement might be treated as deferred income. The secretariat will raise the concerns with officials.

1.3 Minor changes were suggested to the Minutes of the meeting of 2nd July 2008. The Secretary was asked to redraft paragraphs 5.5 and 5.8 to make them easier to understand.

2. Chair's Report.

[Reserved Items].

2.4 **Members** discussed responding to the Green Paper which was published on 21st July. The **Secretary** will draft the response, but requires a first reaction from members with areas to concentrate on. **Members** noted that as individuals they are members of other organisations who may respond. They would need to talk with those organisations as stakeholders. The responses of those bodies may differ from one another and from the response from SSAC. There might be conflicting views. The **Secretary** and **Members** noted that some members are appointed "in consultation with" other bodies but serve in a personal capacity and represent their personal views. It was agreed that members should share views with stakeholders and listen to informed views. Drafts of responses by stakeholders could be used to inform the committee's views but those organisations may submit their own personal formal responses to the consultation. The **Chair** advised that if necessary, the Committee could produce a minority view in their report.

2.5 The **Chair** advised that the latest DWP capability assessment had been circulated. **Members** asked and noted that the review team had not consulted with SSAC this time. Members commented how their experiences on visits and meetings with front line staff confirmed the improvements noted by the Capability Review. The Chair agreed to write to Leigh Lewis, copying it to the Capability Review Team and Sir Gus O'Donnell (Cabinet Secretary and Head of the Home Civil Service).

The Chair's report continued at the end of the afternoon after other agenda items had been concluded.

2.6 The **Chair** advised that Mark Langdon leaves the Secretariat – and DWP – on 15th August. The Committee thanked him for his work. Anna will be returning to work for a day and a bit a week at the end of September and on a proper part time basis in October or November. It appears that there will be suitable candidates for the job share to start at around the same time. No suitable candidates have been found for the HEO(D) post. With annual leave and other commitments, there will be no research facility until October and limited secretariat support at meetings.

2.7 The **Chair** thanked members for their suggestions for outside consultants to sound out with regard to a 'rights and responsibilities' paper. They will be invited to contribute their views on the viability of such a paper and asked for recommendation about who should be approached to tender for the work. **Members** discussed the need for a clearly written specification and that the result should be a practical rather than high level working paper for use by the DWP. It should include a presentation as 'work in progress' at the November Stakeholder event. The **Secretary** agreed to draw up a specification and circulate it to members.

2.8 Mark has produced an annex to the research on telephony, for comments.

2.9 SSAC has been invited to contribute to an equalities study. **Members** were keen to contribute, in particular to identify examples where things are getting better at the DWP / JCP. The **Secretariat** will identify what has to be done.

2.10 The **Chair** has had another letter from Mr Havard about the 'freezing' of pensions. The **Secretary** will circulate the letter with a draft reply.

2.11 The Hilton at Cardiff has been booked for the June meeting. Cumberland Lodge was unavailable. The intention is that the Northern Ireland meeting should be held in April.

2.12 The **Secretary** will circulate the review of the 6 month regulations to members after the meeting. Members are asked for an early reply. A further set of 6 months rule regulations was cleared in July. Although the trial officially ends this month, officials will continue to send items for scrutiny.

3. Child Poverty Strategy Presentation.

3.1 The **Chair** welcomed Ms Kelham and Ms Beer.

3.2 **Ms Kelham** introduced herself and **Ms Beer** and provided an overview of the Child Poverty Strategy Unit (CPU). This being a new unit established early 2008, which cuts across three Departments (HMT, DWP & DCSF). The unit has a key role in taking an overview of evidence regarding child poverty, engaging with and influencing key stakeholders in developing policies which help to achieve the Government's child poverty target.

3.3 The presentation by **Ms Kelham** and **Ms Beer** described the current state of play on Child Poverty, including how the risk of being in poverty varies for different groups and regions. They spoke about the causes and consequences of child poverty, the complexities, the different barriers and how disadvantage passes through the generations. In discussing what it will take to end child poverty, **Ms Kelham** and **Ms Beer** described the vision and strategic objectives. They invited members to contribute ideas and offered to return.

3.4 The **Chair** enquired as to the contribution towards the child poverty target which officials expected from the Governments lone parents changes. **Ms Kelham** envisaged that these changes would have an immediate impact on direct income levels but these changes would also bring about a longer term cultural change,

raising the culture of work and the aspirations of children. **Ms Beer** informed Members that these proposed new lone parent policy would lift an estimated 70,000 children out of poverty.

3.5 **Members** sought clarification regarding the role of CPU in relation to the redistribution of taxes. **Ms Kelham** stated that fell to the Chancellor; however HMT colleagues within the CPU did have a role in developing scenarios to inform the Chancellor's decisions. **Ms Kelham** continued, that once CPU have a clear set goal of what it wants to achieve then the Unit can look to ways to achieve these goals.

3.6 The **Chair** questioned this last statement, arguing that the goal was the eradication of child poverty. **Ms Kelham** agreed that this was the overall aim, however there were still technical issues in defining what this actually meant.

3.7 **Members** asked officials for more details of the pilot studies. **Ms Kelham** stated that these were a mix of activities. **Ms Beer** stated that CPU was actively engaged with the research being undertaken by DWP and DCSF as well as maintaining an awareness of wider evidence.

3.8 **Members** asked about the effect of sanctions, particularly in relation to lone parents, on child poverty and for those families who fall between the gaps in the benefit system, such as seasonal workers and travellers. In relation to the sanctions issue **Ms Kelham** reported that they wanted to see what the evidence was on the ground. On families that fall between the gaps in the benefit system, CPU work closely with colleagues in the Social Exclusion Taskforce who have a focus on the most at risk families, and are alert to evidence about the specific supports that these families might need.

3.9 **Members** also considered that CPU should involve the Department for Innovation, Universities and Skills and the wider skills agenda. **Ms Beer** informed the Committee that DIUS was already part of the CPU cross departmental analytical group.

3.10 The **Chair** thanked Ms Kelham and Ms Beer for their time and presentation.

[Reserved Item].

5. The Housing Benefit and Council Tax Benefit (Overpayment) Regulations 2008 (Paper 31/08).

5.1 The **Chair** welcomed officials. **Mr Rodgers** introduced himself and **Ms Autherson**. **Mr Rodgers** then provided an overview of the proposed regulations.

5.2 **Members** asked if liability for overpayment will be extended to people with power of attorney (reg. 2 (2) (a) (d)). **Ms Autherson** explained that, those people with power of attorney would only be liable for overpayments in situations where they could reasonably have been expected to realise that they were being overpaid at the time of the payment or any notice relating to the payment.

5.3 **Members** questioned the accuracy of paragraph 12 in the attached Equality Impact Assessment regarding the numbers of claimants who would read HB reg. 101 and how rewording this regulation would make it easier for claimants to understand. **Ms Autherson** reported that this provision is explained to claimants and a rewording of this section would help claimants understanding.

5.4 **Members** also questioned the accuracy of paragraph 15 in the Equality Impact Assessment, which states that the amendments will not have an impact on any specific group of claimants. The **Chair** asked officials if they had data on the numbers of people likely to be affected by these changes. **Ms Autherson** stated that this data was not available. **Members** considered that, in the absence of this data, it is impossible to state that there will be an equitable impact across all groups as a result of these proposed changes. The **Chair** considered that the most the EIA could say is that the regulations will be equally applied to all claimants and recommended that the document be amended accordingly. **Mr Rodgers** accepted these recommendations.

5.5 **Members** felt that the wording of the amendment could mean that if two people were living in the same household and later became a couple, that the partner could have the overpayment recovered from their benefit, even though they were not a couple at the time of the overpayment. **Ms Autherson** explained that the wording “members of the same household” was used to capture couples who were living in the same household, but were fraudulently claiming separately. **Members** felt that this wording needed to be looked at again by solicitors.

5.6 **Members** asked about the extent to which partners would be liable for overpayments. **Ms Autherson** stated that partners would not be liable, only the benefit claimant, as it is the benefit claimant who agrees to inform the department of changes in circumstances. This being the case, **Members** did not feel that a redraft would meet the policy intent in situations where the benefit claimant is the only person covered by the benefit. **Mr Rodgers** assured the Committee that he will re-read the regulations and clarify the intent.

5.7 **Members** also suggested that regulation 3 (d) needs to be more specific and state “*income based*” ESA. **Members** also questioned if these regulations were consistent with common law regarding partners. **Mr Rodgers** said that he would check this with lawyers.

5.8 **Members** considered that these regulations could be approved if the recommended changes were undertaken. **Mr Rodgers** informed the Members that he would confirm, in writing, that the points raised by the Committee have been followed up.

6. The Social Security (Miscellaneous Amendments) (No.) Regulations 2008 – Paper 32/08

6.1 **Ms Beverley Walsh, Mr Geoff Turner and Mr Phil Patterson** from Products and Services Management, Jobcentre Plus presented the item.

6.2 **Ms Walsh** explained that the package contained proposals to make miscellaneous amendments to regulations relating to Income Related Benefits, State

Pension Credit and to the Social Security (Claims & Payments) Regulations. **Ms Walsh** invited questions from the Committee.

6.3 A **Member** asked if customer's access to passported benefits would be affected by the introduction of the attribution of the Working Tax Credit (WTC) 4 week run-on. **Ms Walsh** said that this proposal restored the original policy intention for WTC, but that people would still be able to claim Housing Benefit (HB) or Council Tax Benefit (CTB) on the grounds of low income. The **Member** commented that a customer possibly could be worse off, even after claiming HB and/or CTB. **Ms Walsh** explained that for those benefiting from the current wording of the attribution rules would need to make two claims to benefit which would mean that what they gained was lost on the second claim, but agreed to take this away and provide a response in writing. The **Chair** asked if officials had an idea of the number of customers that may be affected. **Ms Walsh** replied that HMRC estimate that approx 170,000 customers would receive the run-on, but that she did not have the figure for those who might make a claim within the four-week period to hand, but that she would provide the Committee with the figure. The **Member** asked if the breakdown in joined up government referred to in the EM had been resolved. **Ms Walsh** said that the episode was unlikely to be repeated, and DWP/HMRC has a process in place to prevent this.

6.4 A **Member** asked at what policy level the proposal had been considered on. The **Member** said that this change had the potential to drop a customer below the IS level and possibly lose than a childcare place. The **Member** commented that if this proposal was to work as a run-on it needed to be on top of other allowances.

6.5 A **Member** asked at which point the customer would make a claim. **Ms Walsh** said that Jobcentre Plus would take a claim immediately but where WTC run-on exceeded benefit rates, the claim would be treated as an advance claim to benefit, currently some customers have to make two claims within a short period. **Ms Walsh** added that DWP had confirmed with their minister that WTC (including the run-on) should continue to be fully into account when calculating benefit entitlement.

6.6 A **Member** said that she had seen in a recent Treasury report where the Treasury were keen to adopt more run-ons, the **Member** commented that if this were to be the consequence the exercise would be pointless.

6.7 A **Member** asked for 'Miscellaneous accommodation cost' to be explained and pointed out that 'Communities Scotland' as referred to in Para 37 of the EM had been abolished. **Ms Walsh** said that reference was to miscellaneous service charges but not those included in the usual listing i.e. Porterage. **Ms Walsh** said that she would ensure that Para 37 was amended. A **Member** pointed out a further drafting error in Para 14.

6.8 A **Member** said that the proposal that required State Pension Credit to be included on the list of benefits, whose cessation must be reported, could potentially cause a problem in that the second adult might not be inclined to tell the claimant about a change in income. In referring to paragraphs 57 & 58 of the EM, the **Member** said that overall she did not consider it appropriate that changes to legislation should be IT driven, a number of Members agreed. **Ms Walsh** said that the team had on many occasions tried to secure changes to the IT but had been unable to do so, and because on this occasion the change was beneficial to the customer, albeit by only a

few pence it was thought best to amend the regulations. The **Member** agreed that on this occasion the change was probably sensible.

6.9 A **Member** said that in Regulation 2 (3) (6) (iii) no definition of the 'equivalent provision in Scotland' had been given. **Mr Turner** explained that currently there was no Scottish legislation.

6.10 The **Member** referred to Regulation 2 (3) (c) and asked what 'the claimant sought and received the permission of the SoS' meant in practice. **Ms Walsh** said that the claimant would need to tell JCP who act on behalf of the SoS. The **Chair** commented that although a claimant needed to inform the SoS, they did not need to 'receive permission'. **Ms Walsh** said that this change was to align the wording in the IS/JSA regulations with the wording already in place for ESA, but that she would discuss the point with Solicitors.

The **Chair** thanked Officials and the Committee decided that it did not require the proposed regulations to be formally referred, the Committee would be writing to Officials on the issue of the 4 week run-on.

7. The Social Security (Incapacity) (Miscellaneous Amendments) Regulations 2008 (Paper 33/08)

7.1 **Mr Brooke** provided the Members with an overview of the proposed regulations and its key objectives.

7.2 **Members** welcomed the proposed changes but asked if there would ever be a point when the £20 earnings limit for permitted work will be amended for Income Support claimants. **Mr Brooke** reported that there were no current plans to do this, that cost is a factor particularly for income related benefits, but that the level of limits is kept under review.

7.3 **Members** considered that there was a strong policy argument for an alignment between ESA and other benefits regarding the permitted earnings allowance. This they felt would help to encourage people who had been out of the labour market for longer to try or test employment. **Members** felt that under the current situation those people who need the most help are unable to benefit from these allowances. **Mr Brooke** reported that the Green Paper contains a commitment to move IB claimants onto ESA. It would therefore be possible to further examine alignment in the process of taking forward the Green Paper.

7.4 The **Chair** recommended that this issue should be picked up in the Committees' response to the Green Paper.

7.5 It was agreed that formal reference of the proposals was not required.

8. Action Points for SSAC

AP & Para	Action Point
8.1 (1.2)	Secretariat to contact HMRC about the impact of deferred Tax Credits. <i>(Noted for inclusion in response to Tax Credits consultation).</i>
8.2 (1.3)	Secretary was asked to redraft paragraphs 5.5 and 5.8 <i>(Done – as attached)</i>
8.3 (2.4)	Members to send comments on Green Paper to Secretary for draft response. <i>(Outstanding).</i>
8.4 (2.5)	Chair to Write to Leigh Lewis noting the Committee’s positive experiences. Copies to the Capability Review Team and to Sir Gus O’Donnell. <i>(Done. Response received. Follow up meeting arranged with Leigh Lewis)</i>
8.5 (2.7)	Secretary to contact possible consultants and to draft a specification for the rights and responsibilities paper. <i>(Done – draft ready to be circulated).</i>
8.6 (2.10)	Secretary to draft reply to Mr Harvard. <i>(An early reply was required. Draft cleared with Chair; letter sent).</i>
8.7 (2.12)	Secretary to circulate review of 6 month regulations. Members to reply as soon as possible. <i>(Both done. Document revised. Review under way).</i>
8.8 (6.3 & 6.10)	Secretariat to write to officials about the attribution of the WTC four week run on. <i>(Done. Letter sent by Chair. Circulated with response. Supplementary questions resolved).</i>

Annexes:

1. Notes on minutes of meeting held at New Court on 2 July 2008.
2. “The 6 Months Rule: Evaluating the Outcome”