

MINUTES OF MEETING HELD AT NEW COURT ON 4TH FEBRUARY 2009

Present:	Chair:	Sir Richard Tilt	
	Members:	Mr K Akuffo Mr L Allamby Mrs B Campbell Dr A Erskine Mr R Exell Ms A Garnham Professor E Kempson Ms M Reith Ms P Smail Professor J Walker Professor R Walker	
	Guests and Officials:	Ruth Owen Fiona Nellthorp Donald Hirsch	(item 3) (item 4) (item 5)
	Secretariat:	Dr A Bee Dr N Moss Mrs E Harnett Mr J Allen	
	Apologies:	None	

The Chair introduced and welcomed Ms Maureen Reith as the Scottish Representative to the Committee.

1. Minutes and Action List

1.1 **The Chair** advised members that because of staff absence, an early draft of the minutes had been circulated to members. **Members** identified a number of corrections. They asked that the final version of the January minutes should be checked against these and circulated after the meeting with a note to say how they differ from the version which was sent out before the meeting. **Members** asked that the report of the meeting with Professor Gregg be checked and that it should show his correct title. **The Chair** recommended that a corrected version of the January minutes should be presented for approval at the March meeting.

2. Chair's Report

2.1 **The Chair** advised that formal referral of the LHA regulations has commenced. Officials have asked whether the timetable for completion of the report might be condensed. This does not appear to be possible.

2.2 **The Chair** reported that the formal referral on mortgage interest arrangements has been held back while officials address defects in the regulations. **Members** have agreed a proposed handling strategy. It is not yet clear when papers will be received from officials so that the public consultation can start. **Members** expressed concern about possible unintended consequences for mortgage lenders because some borrowers are assuming that the two year limit allows them to take a holiday on mortgage payments. **A Member** asked that mortgage lenders be told about the consultation. **A Member** asked that the report should pick up that some customers, who start on contributions-based JSA before moving to based JSA, are ending up with a 39 week rather than 13 week waiting period. This was not thought to be the intention behind the regulations. **The Chair** advised that this should be noted as an example of difficulties which arise when Departments try to introduce new regulations too quickly.

2.3 The Welfare Reform Bill has been published and members have been sent copies. Some **Members** advised that they have circulated comments.

2.4 **The Chair** reported that Ministers have announced that the transition from IS to JSA for lone parents will be supported by one hundred per cent loans from the Social Fund. This change follows, but does not acknowledge, a recommendation made in the Committee's 'periodicity and pay days' report. The Committee's report on the lone parent changes recommended that Crisis Loans should not be used for bridging. **Members** noted that the interest rate proposals had not been included in the welfare reform bill.

2.5 **Members** discussed the idea of a Peoples Bank and the use of Community Care Grants. Some reported that they thought the Post Office was to be used as a lender. **The Chair** commented that one problem is how to fund such an operation with the loss of interest charges on the Social Fund. One suggestion has been payment for a contract to supply the service, where the lender receives a fee rather than charging interest. **The Chair** reported that he is attending a CPAG meeting and will report back if anything relevant comes up.

2.6 **A Member** asked about revising the Committee's proposals on Life Event Grants when considering reform of the Social Fund. **The Chair** advised that this was at least fifteen years ago and we would need to look out the papers. **A Member** reported that it may be necessary to add more to the Social Fund because there are fewer lenders. Many typical lenders are going under or are not able to lend as much as before. The Financial Inclusion Task Force is concerned because those at the lower end of the income scale are being excluded from getting loans. **The Chair** reported that CPAG have involved representatives from Credit Unions who were keen to make loans on

an interest charging basis. **A Member** reported that only a minority of credit unions were capable of providing such loans.

2.7 **A Member** asked whether the Secretary Of State would need specific powers in the bill if crisis loans are to be contracted out or to allow for interest for lenders. **Members** advised that the original intention was to take powers, but unless the bill specifically provides for charging interest, it may be difficult to change from a service which does not to one which does charge interest.

2.8 **A Member** has produced a paper on 'parity' to inform the Committee's response to the recent correspondence from John O'Neill. **The Chair** agreed to draft a response for Northern Ireland.

2.9 The Memorandum of Understanding between SSAC, HMRC and HMT has been signed. Copies have been circulated to members. It was published on the SSAC and HMRC websites on the 29th January. **Members** asked that the minutes formally record their thanks to the Chair and Secretariat for this achievement.

2.10 **A Member** reported back on her attendance at the inaugural meeting of the DWP Senior Stakeholder Forum. There was strong support from stakeholders for the steps being taken by DWP at this challenging time. A note of the meeting has been circulated to members.

2.11 **A Member** reported on the DWP Wales Forum. A note will be circulated, in particular covering the ESA workshop and tackling fuel poverty in Wales. Problems with reassessing Housing Benefit at the fourteen week point were reported.

2.12 The **Secretariat** has emailed members with an up-date on the Transitions to Work Project. Officials are preparing an internal paper and have offered to attend the April meeting to discuss progress. **A Member** suggested waiting until after the presentation before drafting a response.

2.13 The **Secretariat** has sent out a draft programme for the visit in Northern Ireland. **Members** discussed the programme and were asked to let the **Secretariat** know who will attend and preferences for visits and meetings.

2.14 **Members** who visited the HMRC contact centre in Bathgate agreed to circulate a report.

2.15 **The Chair** advised that the DWP has published a discussion paper on the next steps in implementing the Gregg Review -'Realising Potential: developing personalised conditionality and support'. Members were asked to consider if they wished to contribute. The **Secretariat** advised that a key point to note is the use of pathfinders, rather than pilots, to test the Gregg initiatives. **Members** noted that it had been very helpful to hear Professor Gregg's views when he attended the January meeting.

2.16 **A Member** reported that she has been invited to join a working group to monitor how Work Capability Assessments are working. She has written back to note that early monitoring is a good idea but that alterations are premature. She will keep the Committee informed.

3. Presentation by Ruth Owen, Chief Operating Officer, Jobcentre Plus

3.1 **Ms Owen** gave an interesting up-date on how Jobcentre Plus is dealing with the impact of the economic recession. She highlighted how it had coped with large increases in telephone claims, Jobcentre interviews and claim processing in Benefit Delivery Centres. Jobcentre Plus has recruited 3,000 new staff members and taken on surplus staff from other areas of the Civil Service. They are also sending some work to the Passport Office. While there are still potential risks to service delivery, they have dealt successfully with the extremely busy period at the start of 2009.

3.2 **A Member** raised the issue of the Rapid Response Unit (RRU) and how individuals and shop stewards can take advantage of its services when employers refused to access it. There are cases when Administrators are refusing to allow the RRU in, to work with soon to be redundant staff. **Ms Owen** responded that she would consider communications for employers or their TU representatives to access the Rapid Response service. **A Member** raised the issue of substitution and replacement as a result of government employment programmes and questioned whether DWP could do more to help existing employees keep their jobs. **Ms Owen** recognised that substitution is a risk, but that policy work in DWP was ongoing to address that risk.

3.3 **A Member** asked about how group sessions worked and how they interact with the personalised agenda. **Ms Owen** stated that group sessions had been used in a number of different scenarios and had been found to work well. For example, they had been used to explain to lone parents the transition from IS to JSA and had involved employers and providers. The peer support aspect of the sessions had worked very positively. The sessions were followed-up with a one-to-one discussion between a lone parent and a PA. Group sessions were a useful means to inform claimants about the range of support available to them, including the Adviser Discretion Fund (ADF). **A Member** asked about the level of Jobcentre Plus involvement in Children's Centres (CCs) as initially all CCs were supposed to have Jobcentre Plus involvement. **Ms Owen** replied that there were too many CCs to allow Jobcentre Plus staff to be placed regularly in all of them, especially at a time of great pressure on staff resources. However, CCs are very useful locations for group sessions and Jobcentre Plus is locating advisers in selected CCs.

3.4 **A Member** asked how newly recruited Personal Advisers would develop the appropriate skills to support people into work. **Ms Owen** replied that experienced PAs were being placed in the harder part of the role, such as at the sixth month claim point, while newer PAs were being deployed in

more straightforward areas. **A Member** added that they were keen to support the professionalisation of the PA role so that PAs are seen to have the equivalent of degree level training. **The Chair** noted that the ability to obtain formal qualification is very important. **Ms Owen** added that the PA role is complex and that she is hoping to create a cadre of skilled PAS who have the right skills for the job. During the recent recruitment round a variety of people with interesting backgrounds had applied to work as PAs. **A Member** asked about the trade-off between quality and quantity with new staff and rising unemployment. Ms. Owen replied that they were working hard to maintain quality as any increase in errors would slow down the system.

3.5 **A Member** raised the issue of certain Accession State migrant workers who should be claiming JSA to establish entitlement but were encouraged to claim IS even though they were lone parents. The **Member** asked that clear instructions are given to staff to ensure they know that migrant workers can claim certain benefits. **A Member** noted that given the possible characteristics of new claimants in the recession, there would be scope to make use of newer technologies such as an e-mail newsletter to support job search and help claimants maintain their motivation. **Ms Owen** responded that they had developed the Job Kit that contained both national and local information that would be of use to claimants and offered to send Members a copy.

3.6 **A Member** asked about the budget implications of the recession and the increased claimant count. **Ms Owen** replied that DWP had received an increased budget from HMT and that a sizeable proportion of the increase would be deployed by Jobcentre Plus to support staff recruitment and training etc.

3.7 **A Member** asked about whether there was yet a measurable impact from the recent lone parent benefit changes and the introduction of ESA. **Ms Owen** replied that they had not yet seen any impact as they were only just reaching the 13 week period for the first set of eligible customers. **A Member** asked about the destination of the 230,000 benefit leavers from JSA in December and whether there was any information on the number flowing onto Pension Credit or entering work. **Ms Owen** replied that not all customers inform Jobcentre Plus of their destination when they leave benefit but that they can track the numbers moving from one benefit to another. **Ms Owen** offered to let Members know about the numbers moving onto Pension Credit. **The Chair** thanked **Ms Owen** for coming to talk to SSAC.

4. HMRC Charter -Consultation document (Paper 09/09)

4.1 **Ms. Fiona Nellthorp**, head of the HMRC Charter team, gave a presentation on progress on the HMRC Charter. The consultation is intended to produce a charter which has been written by the users. She asked for comments by 12th May 2009.

4.2 **Ms Nellthorp** described consultations with customers and staff, mentioning how the Low Incomes Tax Reform Group (LITRG) has been

especially helpful in pulling together contacts with the third or voluntary sector. HMRC has commissioned market research jointly with the DWP for those who might not usually engage with HMRC. She described the link between the HMRC Vision and the charter and spoke about a deliberative event with stakeholders, held in Birmingham. Many suggestions have been received for the name for the charter. This has not been settled. **Ms Nellthorp** told members that HMRC will be committed in legislation to having a charter and to abide by it but that the charter itself will need to be flexible and so not enshrined in law.

4.3 **The Chair** asked about the use of 'benefits system' in the draft at page 8 of the consultation document and whether this is over-commitment when this is not a joint charter with the DWP; and about the reference to service standards. **Ms Nellthorp** replied that HMRC has responsibility for a number of benefits and how customers see benefits as being all one system. There has been discussion about putting service standards in a charter. **The Chair** advised that standards should not be in a charter but that there should be a high level commitment to meet standards.

4.4 **Members** praised the fact that the Charter has been kept to less than one page. **A Member** asked that it should include a commitment to keep customers informed about changes, noting that 'If only I had known' is a common statement from customers. He noted that with DWP benefits, perhaps twenty percent of customers have mental health problems or other particular needs and cannot cope with departmental IT or other systems. **The Member** asked that the charter should include a commitment to those with particular needs. **Ms Nellthorp** replied that HMRC are still consulting on this and would also like ideas about reaching those for whom English is not a first language.

4.5 **Members** expressed concern about the use of 'Pursue relentlessly' in the charter. This emphasis was felt to be too strong. **Members** asked if HMRC could meet such a commitment in all cases and noted that it suggests that other charter commitments are less important because they do not include words such as earnestly or vigorously. This is the only commitment which does not refer to 'you' or 'your'. **Members** linked this to the use of 'unless we have reason to doubt you' in the charter and at appendix B, item B in the consultation document. This was seen as threatening and likely to discourage customers from engaging with HMRC. **Members** drew attention to the commitment to 'rebuild trust' at section 3.27, page 12 of the November 2008 consultation and linked this to the excellent work at contact centres to build a lifelong relationship with customers. This was seen as being very important when many customers are afraid of HMRC. **A Member** noted that HMRC deal with the whole range of businesses and individuals. She suggested any pursuing should be proportional rather than relentless. **A Member** suggested a better form of wording to cover both points could be to 'pursue those who break the rules or are dishonest'. **Ms Nellthorp** invited the Committee to provide further feedback and to suggest alternative wording.

4.6 **A Member** asked for further information on the legal status of the charter and pre-existing rights. **Ms Nellthorp** explained that rights such as equality are enshrined in law and HMRC staff ought to behave in accordance with the law. The spirit of the charter is to cover matters which are not in the law. Work on the charter is linked to the HMRC powers review. The intention is that HMRC should be committed to having safeguards. Stakeholders are keen that HMRC should not be able to drop their charter or let it become out of date. **The Chair** expressed concern that HMRC could meet requirements by having a negative charter. **Ms Nellthorp** replied that she did not expect that would be allowed to happen. **A Member** asked about the status of the charter if HMRC failed to comply. She thought that it would not give rise to appeal rights but asked if it would inform the HMRC complaints procedure and judicial review. **Ms Nellthorp** said that this would have to await the outcome of the consultation but that seems to be the line which is being taken in Australia.

4.7 **A Member** questioned the reasoning behind the line in the charter starting 'Provide you with accurate information ...' He considered that the second part does not contribute anything and recommended 'Try to provide you with full and up to date information'. **Ms Nellthorp** said that consultation indicates that there ought to be a commitment to help those who try to do their best.

4.8 **A Member** noted that Government departments ask customers to notify changes in circumstances promptly. HMRC should deal with these promptly because delays are a major cause of Tax Credit overpayments. In many cases, HMRC might not be able to recover the overpayment. The **Member** said that incorrect tax codes may be less urgent than Tax Credit changes. **Ms Nellthorp** replied that this has been noted.

4.9 **A Member** suggested that HMRC might like to consider ideas from the Banking Code. Ideas include a commitment to transparency - providing full information; deal quickly when things go wrong; treat sympathetically and positively when in difficulties; and how to access information about HMRC because not everyone has access to the internet. She advised that like the Banking Code, HMRC should routinely send the HMRC charter to new tax credit claimants. **Ms Nellthorp** asked for further information about the banking code (*sent*). She advised that it is seen as important that individuals should know that a complaints procedure exists. This is especially important for vulnerable groups. HMRC are talking to Age Concern about including information in their newsletters.

4.10 **The Chair** noted the fourteen week consultation period and thanked Ms Nellthorp for coming. **Members** agreed to respond with their ideas.

5. Presentation on 'A Minimum Income Standard for Britain'

5.1 **The Chair** welcomed **Mr Donald Hirsch** from the Centre for Research in Social Policy at the University of Loughborough and thanked him for

coming to present the findings from the Minimum Income Standard (MIS) project to the Committee. **The Chair** noted the Committees' interest both in the project and in the related issue of benefit rates.

5.2 Mr Hirsch gave a very interesting and informative presentation on the key findings from the research, which was published in July 2008.

5.3 **A Member** asked for more detail on the methodology. **Mr Hirsch** noted that the different groups [for example, Couple Pensioner, Lone Parent + one child] are composed of people from the household type under discussion. Participants are from a mix of different backgrounds. The budget standards are consensual and derived through negotiation. Participants are asked to consider the minimum acceptable levels for participation in society; needs rather than wants. **Mr Hirsch** noted that the participants quickly come to an understanding of needs. Another Member noted that budget constraints are introduced to participants, but that there is typically resistance to making cuts.

5.4 The **Committee** discussed the potential for change to the MIS in light of the current economic climate with **Mr Hirsch**. The definition of poverty as 60% of median income was also discussed, in relation to possible changes to median income given the current economic climate.

5.5 **A Member** raised the chilling effect of poverty on social participation. In relation to leisure in particular **A Member** highlighted the influence of children in a household, particularly with regard to the awareness amongst parents of the need to support extra-curricular activities. **A Member** suggested that the project could map the findings against DCSFs 'Every Child Matters' document.

5.6 **A Member** asked whether the cost of debt and credit was included. **Mr Hirsch** noted that this had been a key consideration, but had not been included because of likely confusions regarding different purposes of debt and saving, and the fact that spending on large purchases is already covered through a weekly allocation for larger items. Pensions contributions are also not included.

5.7 **A Member** asked about the rural / urban distinction and **Mr Hirsch** noted that the MIS could be considered an urban standard. The groups were carried out in large-medium sized towns but groups were also carried out in different areas, to see if there were any differences in the MIS. Significant differences were not identified. **Mr Hirsch** noted that the project hoped to carry out some work on rural areas in the future. **A Member** suggested that this should also include 'ring of city estates', as they faced similar difficulties to rural areas, e.g. lack of facilities.

5.8 **A Member** highlighted the issue of fuel poverty and was surprised that Pensioner fuel costs in the MIS were not much higher. **Mr Hirsch** noted that dwelling size was important, but noted that he would look into this issue. *(Correspondence has been received).*

5.9 **The Chair** thanked Mr Hirsch for a very interesting presentation and noted that the Committee would be keen to keep in touch with the project.

6. **Action Points and Action Taken**

AP & Para.	
6.1 1.1	Secretariat to circulate revised version of January minutes for Members to comment and for approval at the March meeting. <i>(Circulated 5/2, comments received, re-circulated and cleared 19/2/09)</i>
6.2 2.2	Mortgage Interest proposals discussion on 4 March to address extended waiting periods.
6.3 2.3	Chair to report back on CPAG meeting.
6.4 2.8	Chair to draft response to letter from DSD – NI about parity. <i>(Drafted and despatched – copy to be tabled on 4/3/09)</i>
6.5 2.13	Members to advise Secretariat of their preferences for the Northern Ireland visit. <i>(Arrangements close to completion)</i>
6.6 2.14	Report on visit to Bathgate CC to be finalised and circulated. <i>(Draft circulated and cleared)</i>
6.7 4.1	Members to send comments about HMRC charter to Secretariat , who will co-ordinate a written response to the consultation. <i>(Some comments received, reminder to be issued on 4/3/09)</i>
6.8 4.9	Members to provide information about the Banking Code to HMRC. <i>(Received and copied to DWP Charter team).</i>