

MINUTES OF MEETING HELD AT NEW COURT ON 6TH MAY 2009

Present: Chair: Sir Richard Tilt

Members: Mr K Akuffo
Mr L Allamby
Mr J Andrews
Mrs B Campbell
Dr A Erskine
Mr R Exell
Ms A Garnham
Ms C George
Professor E Kempson
Ms M Reith
Ms P Smail
Professor J Walker

Guests and Officials: Paul Mackrell (item 3)
Alan Armstrong (item 3)
Lyndon Walters (item 3)
Brendan O’Gorman (item 4)
Barbara Horton (item 4)
Ursula Brennan (item 4)
Paul Needham (item 5)
Sylvia Thompson-Call (item 5)
Sarah Turner (item 5)
Ben Aylott (item 5)
Helen Musgrove (item 6)
Ben Stayte (item 6)
Lorraine Dick (item 6)
Kevin Harris (item 6)
Tony McNulty (Item 8)
Rachel Radice (Item 8)

Secretariat: Ms G Saunders
Dr A Bee
Dr N Moss
Mrs H Gray
Mr J Allen

Apologies: Mrs B Campbell; Professor R Walker

Observers: Anna Rogerson; Barbara Bernard; Lizzie Coates;
Nicola Smith; Dan Cross.

A. Member's discussion

A.1. The Chair welcomed Carolyn George to her first meeting of the Committee.

Private Session (*Items A2 to A7 – Reserved items*).

A.8 The Chair welcomed Anna Rogerson; Barbara Bernard; Lizzie Coates; Nicola Smith and Dan Cross as observers to the meeting.

1. Minutes and Action List

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

1.2 Arising from the minutes, the **Chair** thanked members for their work on the swine 'flu regulations (paper 28/09) by way of an electronic quorum. Members queries were sent to officials, along with confirmation that formal referral was not required. Answers will be circulated when the official concerned returns from leave. A **Member** asked why the regulations could not have been considered at this meeting as they have not yet been laid. The **Chair** and **Secretary** explained that they should have been laid by 5th May but they did not know if this has been done. The regulations are part of a contingency plan, and would be taken forwarded if and when the situation required them to be in place.

1.3 **Members** asked whether it would have been possible to have discussions about these regulations at an earlier stage, perhaps using some sort of secure website or electronic work room. One **Member** explained how HMRC use shared workspace on the Government Gateway site. The **Secretary** explained that this has been explored quite recently but it would have required significant expenditure on secure laptops for members, and licenses for software. A number of members had also indicated that they were unwilling to use the technology involved, and it would not be possible for the Secretariat to run two systems – the extant and a new one - in parallel. In addition, there are very few 'secure' items of business that require special handling arrangements.

1.4 The **Secretary** reminded members about security markings. She advised that items marked 'RESTRICTED' cannot be sent over open email or held on members' hard drives. Items marked 'PROTECTED' are for members' eyes only but can be held on hard drives. In practice many security marks are embedded in templates and are no longer appropriate by the time regulations are referred to members. Officials are now always asked whether security marks on papers received have been properly applied. The Business Guide will be amended to reflect this.

1.5 The report on regulations cleared by post since 1st April 2009 was circulated before the meeting as below.

No.	Title of paper
22/09	The Social Security (Recovery of Benefits) (Lump Sum Payments) (Amendment) Regulations 2009.
28/09	The Social Security (Medical Evidence) and Statutory Sick Pay (Medical Evidence) (Amendment) Regulations 2009.

1.6 Members confirmed that they had considered postal paper 27/09 - The Social Fund Winter Fuel Payment (Temporary Increase) Regulations 2009. The **Committee** decided that it did not require the proposed regulations to be formally referred.

2. Chair's Report

2.1 **The Chair** invited comments on the draft report on Support for Mortgage Interest. Members asked for some clarifications and identified where changes are needed. The **Secretary** advised on the procedures for laying the Command paper containing the report alongside the amending regulations.

2.2 **The Chair** reminded members to submit details of travel plans for Cardiff without delay. The draft agenda for the two days has been tabled. It is provisional pending confirmations of attendance from the various speakers and guests from Wales. For November 2009, the dates of the Committee meeting and the Stakeholder Seminar have been reversed. The Seminar will be on 4th November at Sadler's Wells and the meeting will be on 5th. Cumberland Lodge has been booked for Tuesday 2nd and Wednesday 3rd June 2010.

2.3 **The Chair** reported that letters on the Welfare Reform Bill, the Lone Parent changes and transitions to Work have been sent and circulated. No responses have been received. Following Members' questions about the response on the pensions equalisation regulations, the Department has agreed to keep the Committee engaged in the communications strategy for the changes. The further letter on the development of the Flexible New Deal has also provoked some further questions that will be taken up with officials, and the offer of sight of draft guidance has been accepted.

2.4 The Explanatory Memorandum supporting the proposed IB Work Focused Interview regulations for the under twenty fives that were dealt with last month has been re-drafted (it was received on 1 May, too late to post out). It will be posted out to members and further comments invited.

2.5. A letter and brochure have been received from the EHRC drawing attention to the development of the public sector equality duty and the Single Equality Bill. These have been copied to members and it is proposed that a discussion of the Committee's obligations, and compliance, is included in the private session in June. One area that will need further consideration is the new duty to address the 'social inequality' that arises out of persistent and long-standing issues of disadvantage.

2.5. The Secretary has had a meeting with the leaders of the new NAO team for DWP. They are very keen to re-establish links with the Committee and it is likely that they will attend a meeting in the autumn. Meanwhile, details of the respective work programmes will be exchanged.

2.6. **Members** reported back on the Welfare to Work Convention and a visit to Clydebank. Members of the Secretariat have visited Barnsley and Burnley. Members reported on issues arising from pressure on Jobcentres and the impacts elsewhere. In particular, third sector providers of advice and support to benefit claimants do not seem to have enough advisors. Other advisers have indicated that they do not feel qualified to give advice on mortgage issues, and it was noted that it was unlikely that their insurance will cover giving such advice. The **Chair** asked that written reports of any visit and meetings be submitted as soon as possible. The **Secretary** advised that it is the convention with matters arising from visits to tell the local office in the first instance about any issues that have been noted.

2.7 The **Chair** reminded Members that any bids for visits in the period up to mid-July will need to be made now. Given the pressures on Jobcentre Plus in particular, it is currently very difficult to get slots. Jobcentre Plus has asked the Committee to avoid bidding for visits over the main summer holiday period.

3. The Social Security (Miscellaneous Amendments) (No. X) Regulations 2009 (Paper 25/09).

3.1 **Mr Paul Mackrell** and **Mr Lyndon Walters** and **Mr Alan Armstrong** spoke about the proposals for the Social Security (Miscellaneous Amendments)(No 2) Regulations and answered questions from Members.

3.2 **Mr Mackrell** set out some background information. He explained that although the Claims and Payments Regulations have grown in extent and complexity in recent years, one of the main purposes of these regulations is to ensure that the process of making a claim for benefit by telephone matches the process by which a written claim for that same benefit is made. The current provisions, in particular, are inadequate on the issue of defective telephone claims. The purpose is therefore to put this right and achieve a measure of simplification and harmonisation, although from looking at the proposals in detail, that point may not be apparent. The regulations introduce a further set of circumstances where an award of a Category B State Retirement Pension is to be made without first requiring a claim. Apart from other minor and technical changes included within the regulations there was one further change to highlight – that of the proposal to appoint an external contractor who would handle post being sent to the Department in respect of Pension Credit and State Pension claims and awards.

3.3 A **Member** asked whether the intention is to make telephone claims the default position of the application process. If that is the case, there are concerns about vulnerable customers who may be unable to make a claim in this manner. **Mr Mackrell** stated that existing avenues for making a claim

would still remain. Even though the Department is conducting more and more of its business over the telephone, the telephone is only an alternative method of claiming, and there is no intention to make it the sole method for the very reason set out by the Member. A **Member** also asked whether this would be the same for reporting change of circumstances. **Mr Mackrell** replied that changes of circumstances could be notified by telephone already, as well as in writing. He made the further point that although these proposals will allow more claims for JSA to be made by telephone, it will still be the case that individual claimants will receive a work-focused interview and at that interview the details provided over the telephone will be checked with the customer and confirmed as complete and accurate before payment of benefit will be triggered.

3.4 The **Chair** asked what constituted 'proper completion' **Mr Mackrell** explained that this is when all the information necessary to determine the claim had been obtained. If the line was disconnected or the claimant had to terminate the call for some reason, that would constitute a defective claim, which would require a call back to the customer in order to complete it.

3.5 A **Member** asked regarding recorded delivery items: would this still be an option available to customers and how the information would be handled if outside contractors were involved in the process **Mr Armstrong** stated that the contractor would still sign for these items and be responsible for collecting, opening, forwarding images they had scanned in to the Department electronically and returning original documents to customers on the same day. This would be done by a 'special team' who would each receive DWP training. Any third party involvement would be with handling 'scanned' documents only, which they will match to customer's information. A **Member** also asked in regard to the destruction of documents, documents would now only be retained for 16 weeks, what protection would this offer the customer, what would happen if they did not know a document was original i.e. foreign documents **Mr Armstrong** stated that if there was any doubt at all then the document would be sent through to the owning office for DWP decision making staff to make the decision.

3.6 **Mr Armstrong** explained that this process was not going to be introduced nationwide, initially. The process is going to be established on one site and then rolled out to 8 further sites, when the process has been proved and the new technology and process are running as expected.

3.7 A **Member** asked whether notification of death would be forwarded to HMRC to avoid overpayments. **Mr Armstrong** stated that this was already the case where final payment was being made however this process was not in place for customers (the survivor) receiving an interim award. **Mr Armstrong** stated that he would write to the Committee with further information regarding the current procedures.

3.8 A **Member** asked if a customer did not want to send valuable documents to the Department was there another avenue available for these customers. **Mr Armstrong** stated that this information could be taken into a local Jobcentre and verified and sent on or a Local Service visit could be

arranged to attend a customer's home. A **Member** stated that this service was not available to working age customers. **Mr Armstrong** replied that the evidence suggests that customers requesting this service or access was very low and did not present a big problem.

3.9 A **Member** asked if the increase in telephone applications would produce increased risks of fraud as regards identifying customers. **Mr Mackrell** replied that the same requirements in relation to a National Insurance number apply regardless of the method of claim and this should help to limit any increased fraud risk. The fact that most telephone claims are recorded, and that JSA claimants are interviewed before payments are put into payment and that customers are seen at regular intervals provide additional safeguards.

3.10 A **Member** asked if the parts of these regulations which allowed for temporary administrative easements to take place in the light of the current economic situation, would be retracted when the economy had become more stable again. **Mr Mackrell** answered that these changes should probably be seen as more permanent in nature. The move is to a greater use of the telephone and it is difficult to see the Department retracting on its use. The answer was to ensure that the security and fraud issues were properly addressed rather than seeking to return to the earlier position.

3.11 A **Member** asked regarding reply envelopes. Are customers to be made aware that this information is being handled by the Royal Mail in this way and possibly a third party. Another **Member** stated that scanning documents, for HMRC purposes, had not improved information retention. **Mr Armstrong** stated that the Royal Mail opens PDCS post now and that he saw no reason why customer would need to be informed that PDCS are moving to scanning documentation.

3.12 A **Member** asked why extra hand offs had been built into the process, could the process not be simplified with the local post offices verifying the information. **Mr Armstrong** replied that any documents sent to the Department would be returned the same day to the customer, after scanning. As to whether the documents could be taken to a local PO was outside the remit of the project. Another Member asked that what would happen if ID cards were introduced, would the customer also have to send this document. **Mr Armstrong** responded saying this had not been considered under the current scope of the project but that matter would need to be addressed as and when ID Cards are introduced.

3.13 The **Chair** requested that the committee be sent further information as regards the security implications of document scanning one year following implementation of scanning. A **Member** added that they would also like to know more about the implications of lost documents and outside contractors - something which could also form a part of the report on the operational side of this process after one year.

3.14 The **Committee** decided that it did not require the proposed regulations to be formally referred.

4. The Social Security (Habitual Residence) (Amendment) Regulations 2009 (Paper 23/09).

4.1 **Barbara Horton, Brendan O’Gorman and Ursula Brennan** attended the meeting to explain the regulations and why they had been introduced using the urgency procedure. The Regulations waived the Habitual Residence Test for people brought to GB from Zimbabwe under a Resettlement Programme for elderly and vulnerable British citizens

4.2 A **Member** asked why the Department has not followed the earlier recommendation of the Committee and introduced general legislation so that groups could be listed as complying with existing regulations, so simplifying the procedure in future.

4.3 **Mr O’Gorman** explained that it was difficult to forecast the nature of such emergencies. It was thus difficult to draft general regulations which would cover every eventuality without inadvertently covering circumstances where the Government would not want to waive the test. Because the test is subject to constant legal challenge, there was a real risk that a general provision could be extended beyond its original intended scope.

4.4 A **Member** noted that many people are likely to move from Zimbabwe to South Africa (or somewhere else) and then on to the UK but that it is unlikely that they will be able to take any money out of Zimbabwe. He asked if these people meet the criteria of being in Zimbabwe immediately before they move to the UK. He noted that the case of Nessa does not give enough guidance for such people to qualify.

4.5 **Ms Horton** explained that those who had spent a short time in South Africa would be able to qualify. **Mr O’Gorman** advised that this was a specific exercise to rescue those very vulnerable people who were unable to get out of Zimbabwe under their own steam.

4.6 A **Member** asked if there will be a fast track to carers allowance because the individuals would presumably become ordinarily resident in the UK once they moved here. Another **Member** asked whether accompanying dependents and carers would be eligible to claim.

4.7 **Mr O’Gorman** advised that dependants would be covered by the Resettlement Programme, as would carers, if they were also British citizens. As to spouses who were not UK citizens, the Home Office will consider their circumstances sympathetically and they would be very likely to qualify for the Resettlement Programme.

4.8 A **Member** asked what would happen to carers if the person they cared for dies. **Mr O’Gorman** replied that they would not be sent back to Zimbabwe if the person they cared for died.

4.9 A **Member** asked whether there is concrete information about the ethnic breakdown of those who will qualify. **Mr O’Gorman** and the **Secretary** replied that there was only anecdotal information. It was thought that a few might be classifiable as black or have families which originated in the Indian sub-continent.

4.10 The **Committee** noted that urgency had been required in this case, and decided that it did not require the proposed regulations to be formally referred.

5. The Social Security (Deemed Income from Capital) Regulations 2009 (Paper 26/09).

5.1 **Paul Needham, Sylvia Thompson-Call, Sarah Turner and Ben Aylott** attended the meeting to explain the regulations.

5.2 **Mr Needham** explained how the capital threshold is being raised to ten thousand pounds for all. **Mrs Thompson-Call** explained that some people will lose as a result of the changes. The number of people who could lose cannot accurately be quantified and could be anywhere between zero and 1900. If people do see a loss this could be between 20p and £1.60 a week from November 2009 to April 2010. A one off extra statutory payment of £40 will be paid to anyone who does lose out (this more than covers the potential maximum loss of £38).

5.3 The **Chair** and a **Member** noted that the compensatory payment only covers the period up to April 2010, and asked if there had been previous examples of a one off lump sum being paid. **Mrs Thompson-Call** said that this period tied in with general up-rating timetables. **Mr Needham** advised that the reason for the lack of precedent on this occasion arises from the rules relating to calculation of the savings credit which makes Pension Credit unique amongst the income related benefits. In other income related benefits a change reducing the amount of income to take into account would result in an increase in the award. However, it is the interaction between the savings credit and different types of income which may result in a small number of people seeing a small reduction in benefit in this instance

5.4 The **Chair** asked about the impact on those in care homes. **Mrs Thompson-Call** said that there would be no change to this threshold but most have savings under ten thousand pounds so already benefit from the higher limit.

5.5 A **Member** asked whether the forty pound payment will be combined with something else, how beneficiaries will know that they do not have to declare this to HMRC as taxable income and how to publicise this to the twenty thousand individuals, some of whom might have had claims rejected in the past as not being entitled to pension credit, but will now be entitled. **Mrs Thompson-Call** replied that each individual receiving the payment will be informed of the purpose and status of the payment. However, it will be difficult to identify individuals who may become eligible purely as a result of

this change to target them specifically for take-up activity. The £40 payment is in lieu of benefit and will therefore be tax free and won't have any impact on their benefit.

5.6 **Ms Turner** advised that there will be information on the internet and that publicity is planned using local and national media.

5.7 **Members** drew attention to paragraph 21 of the explanatory memorandum, and asked for confirmation on whether local authorities would be able to re-assess entitlement to housing benefit and council tax benefit by November. Members also asked for information about the means with which local authorities will encourage take up of these benefits among those who will become entitled once the change has been introduced. **Mr Aylott** explained the Department is confident that all local authorities will have updated their IT systems to deliver the automatic re-assessment of existing cases in November. The Department will continue to work with local authorities to publicise the change to those who will be newly entitled and ensure as many pensioners receive all the financial support to which they are entitled.

5.8 **Mrs Thompson-Call** agreed to provide further notes to explain the issues around losers and the one-off payment.

5.9 The **Committee** decided that it did not require the proposed regulations to be formally referred.

(Items 5.10 to 5.18 – Reserved items).

6. Gregg Pilots – Presentation & Discussion. (Paper 24/09)

6.1 **Helen Musgrove** (Disability and Work Division, DWP), **Ben Stayte** (Economy and Labour Market Policy Division, DWP), **Lorraine Dick** (Parents Employment Division, DWP) and **Kevin Harris** (Jobcentre Plus Strategy) attended the meeting to provide information on the Gregg pilots and to answer questions from Members.

6.2 **Mr Stayte** briefly discussed the background to the Gregg pilots. He mentioned that the department had published a further Gregg discussion document in January 2009 (to follow-up December's main report) and that they have been discussing their proposals with relevant interest groups. He emphasised that Gregg's focus was on bridging the gap between customers' aspirations towards work and the proportions actually making the transition from benefits into work. Central to Gregg are the non-JSA group (the Progression to Work group – PTW). The aim of the Gregg pilots is therefore to increase the numbers in this group who are supported to make progress towards and into employment.

6.3 **Mr Stayte** noted that three key elements were required to progress the pilots: a legislative framework (existing regulations and the Welfare Reform Bill); a model that ensures that the claimant voice is heard and that claimants

are given realistic choices; and that Personal Advisers (PAs) are equipped with the necessary skills and capabilities to support claimants.

6.4 **Mr Stayte** provided details on the three pilots/pathfinders that will implement the recommendations from the Gregg review. The Progression to Work (PTW) Pathfinders will run for 2 years and will start 6 months earlier than the pilots (Personalised Employment Programme – PEP - and Invest to Save), which will run for longer (up to 4 years).

6.5 **Mr Stayte** noted a number of challenges which will be faced in implementing the pilots/pathfinders: training and delivery within Jobcentre Plus; the cultural shift for PAs; working with stakeholders; getting the right balance of power between PAs and claimants; and the current economic climate.

6.6 A **Member** welcomed the presentation and noted that they were interested in the use of public, private and voluntary providers in Invest to Save (ItS). The **Member** asked whether Jobcentre Plus will be able to bid. **Ms Musgrove** noted that they are currently looking at who can bid and whether Jobcentre Plus will be interested. The Department may be interested in a consortia approach and aims to be as open as possible. **Ms Musgrove** offered to come back to SSAC as more details emerge from the project.

6.7 The **Member** also raised the ethics of piloting and SSACs previous interest in the issue. The **Member** highlighted the difference between piloting an advantage and piloting a disadvantage for claimants and felt that conditionality fell into the latter category. He felt that applying a tougher regime to a specific claimant group raised serious human rights issues. **Mr Stayte** noted that the department felt that the pilots were legally sound, based on the way the department has piloted in the past (e.g. Pathways, ONE) and that piloting was the right approach to take. The department's approach is that it is better to trial the new ways of working and to work out the positives and negatives before rolling-out more widely.

6.8 A **Member** welcomed the mini-jobs proposal and asked about the design. **Ms Dick** noted that the details had not yet been decided, but that the proposal was to increase the earnings disregard from work of under 16 hours a week. The design will need to balance the incentive to try work and the disincentive to work more than 16 hours a week. **Ms Dick** reported that they would be happy to share the details with SSAC, as they become available. **Mr Stayte** noted a number of key considerations: a straight increase or a taper; availability at day 1 or at 6 or 12 months on benefit; and the appropriate time limit for which the higher disregard should apply. **Mr Stayte** also noted that awareness about the childcare subsidy needs to be improved.

6.9 A **Member** asked for more information about the accelerator funding model. **Mr Stayte** reported that the department is still in discussions with Treasury, so there are no more firm details available at the moment. However, **Mr Stayte** was able to report on the likely approach (a cohort approach – considering the length of time taken by different segments of the cohort to enter work, rather than a model based on client characteristics).

This approach will encourage contractors to stick with clients over time, as people who end up taking longer to support back to work will attract more funding.

6.10 A **Member** asked whether any aspects have changed as a result of consultation. **Mr Stayte** reported that they have been given a strong steer on sanctions through the consultation, particularly that the proposal that benefit could be passed across to a third party to control (following repeated non-compliance) would not be workable, and so these are not being taken forward. **Ms Dick** noted that the Lone Parent Voluntary Group meetings have helped to influence design and have brought up areas for consideration. **Ms Musgrove** reported that they are working through the customer journey with ESA groups.

6.11 **Ms Musgrove** mentioned the Reconsideration process, where clients will be able to challenge a direction on a more informal basis, meaning that they would be less likely to proceed directly to a sanction. **Ms Musgrove** noted that the details of reconsideration are currently being worked out, but have already been influenced by discussions with the Disability Benefits Consortium. A **Member** questioned whether the challenge could be by independent appeal. **Ms Musgrove** noted that she was not sure of the legislative requirements of such an approach and that the right of appeal was already available in relation to the sanction decision. The point of reconsideration would be to allow a quick and less formal route of challenge, so that the individual wouldn't need to wait until after the event before raising objections to the direction.

6.12 A **Member** asked that, given the increased footfall in Jobcentre Plus, how the department will ensure that policy works effectively in practice. **Mr Harris** accepted that there is current footfall pressure on Jobcentre Plus but that the PBR and Budget settlements have enabled rapid recruitment to deal with the pressure. He expects the pressures to be alleviated over the next 12 months.

6.13 A **Member** highlighted the differing timescales for the pathfinders and pilots – with the pathfinders only running for 2 years and starting 6 months ahead of the pilots. The **Member** asked about the end of the pathfinders and how they will feed into the pilots. The **Member** also noted that the pathfinders (PTW) were focused on conditionality and not primarily on support. **Mr Stayte** reported that the evaluation for the different elements would feed together. The **Member** asked why the pilots and pathfinders did not start at the same time, which would allow them to be evaluated together, against a control. **Ms Musgrove** reported that some of the timescales had been impacted by the complexity of the contracting arrangements in the pilots. **Mr Stayte** reported that officials would take the timing and evaluation issues away for further consideration.

6.14 The **Member** suggested that the two different models (pilots pathfinders) need to be tested alongside each other if the department really wants to look at the impacts of the different approaches. The **Member** also noted that a single control would not provide detailed information about the

different groups impacted by the policies. The **Member** noted that SSAC would be interested in the 'added value' of conditionality. **Ms Musgrove** reported that the evaluation has not yet been contracted but that ministers are keen to test all aspects of the pilots/pathfinders.

6.15 A **Member** queried how the decision to run a mix of pathfinders and pilots had been made and how confident the department were of being able to isolate impacts of the different aspects of the package. The **Member** also noted that pathfinders, in the conventional sense, do not usually have a control group and questioned therefore how impacts could be isolated without a pilot. **Ms Musgrove** noted that the pathfinders will have a comparison group, possibly through the use of a Randomised Control Trial (RCT). The PEP is being piloted as the accelerator funding and multi-client delivery is a totally different way of delivering support. **Mr Stayte** noted that, to some extent, the decisions were impacted by funding arrangements and government pronouncements.

6.16 A **Member** highlighted the potential differences in progression for the different client groups. For example, whilst it might be easier for a lone parent to move into work in 5 years time, it might be more difficult for an ESA claimant, meaning that there is a chance that one group might increase progression over time but another might decrease. This could suggest that different accelerator models are needed for different client characteristics. This could also leads contractors to make decisions to focus on the earlier sub-cohorts and take the economic loss on those who are harder to help.

6.17 **Mr Stayte** noted that although PTW is being taken forward as one project, there will be delineation regarding training and provision for the different client groups. ESA claimants need to be targeted early, with more frequent WFIs early in the claim. Lone parents in comparison will have a more sustained approach over time, with equal gaps between WFIs over time. However, it is still important to note that lone parents also suffer the effects of being economically inactive over time.

6.18 A **Member** asked whether claimants will be streamed by characteristics, to allow success to be measured with reference to health. **Ms Musgrove** noted that the evaluation will look at conditions – and with an estimated 65,000 ESA claimants per year in the PTW group there is a reasonable caseload to enable an examination of outcome by condition. However, claimants will not be streamed on characteristics for delivery purposes. The focus will be on functionality, which does not necessarily depend on condition.

6.19 A **Member** asked about the indicators of success and how sophisticated these would be. **Mr Stayte** reported that the primary measure of the project will be looking at whether the numbers of people who move off benefit into work increases. The project is focused on meeting the aspirations of people who want to work. The measure will also therefore include factors such as whether people feel more capable of work, whether their health has improved. The **Member** felt that the main measure only captured a short-term view and that some of the packages may deliver much better results in the

longer term. Another **Member** requested that simply getting people off benefit was not included as a measure of success; evidence shows that increasing conditionality can get people off benefit but doesn't necessarily translate into movements into work. **Mr Stayte** agreed with this.

6.20 A **Member** asked about sanctions and hardship payments. **Mr Stayte** noted that the sanctions regime is something that officials are actively discussing at the moment, but that conditionality does need to be underpinned by sanctions. The design is not yet finalised.

6.21 A **Member** asked whether a cost-benefit study will be included in the evaluation. **Ms Musgrove** was not sure and offered to bring an analyst to a future meeting, when the evaluation strategy was further developed.

6.22 The **Chair** thanked officials for the discussion and noted that it had been a very useful session. The **Chair** requested that officials return to SSAC at an appropriate time with the draft evaluation strategy, so that Members may comment before the evaluation design is finalised. The **Chair** also noted that officials had agreed to consider the evaluation and timescale issues raised by Members and report back to SSAC at suitable intervals in the future; the Secretariat will liaise with officials.

7. During the subsequent break in the main agenda, the **Work Programme Sub Committee** met.

8. Tony McNulty, Minister of State for Employment and Welfare Reform and Minister for London.

8.1 **Mr McNulty** gave his perspective on the downturn, how the Department for Work and Pensions and Jobcentre Plus have adapted to new challenges, and the importance of pressing ahead with conditionality to ensure that nobody is left behind. He confirmed that the Welfare Reform Bill will probably secure royal assent in October, that there has been a recalibration of Flexible New Deal contracts, and that Jobcentre Plus is rising to the challenge of supporting different client groups. He noted that some of the elements involve devolved matters and that he hoped to be able to work for similar levels of provision across the UK. He noted that there would need to be an evaluation of pilots. These will be required because provisions such as childcare vary across the UK.

8.2 A **Member** brought up the issue of gaps in childcare provision for older children, disabled children, and all children in school holidays. It was noted that some devolved administrations are further behind in childcare provision arrangements. **Mr McNulty** agreed that there are gaps in provision and that Local Authorities need to up their provision. DCSF and CLG need to ensure that Councils fulfil their statutory duties. He said that this was why DWP were piloting rather than implementing, and that we must not lose sight of the fact that childcare is not the only barrier facing lone parents entering the workforce. The **Chair** expressed concern that moving lone parents onto JSA

is happening too quickly and asked what will happen to lone parents who say they cannot get satisfactory childcare. **Mr McNulty** provided a copy of the revised time line for lone parent obligations. He agreed to have another look at the timetable, but stressed that he thinks it is about right. He agreed on the need to evaluate as it progresses, especially the quality of childcare aspect.

8.3 A **Member** noted the difficulties of implementing policies on the ground, giving the example of mortgage interest payments stopping after two years on JSA. This could create problems if the recession has not been resolved by 2011. This might need to be reviewed because the cost of re-housing people who might lose their homes would have a big impact on the public purse. **Mr McNulty** said that we needed to keep a recession watch on all policies, and that some brought in to deal with the downturn should possibly remain in place after we come out of the recession.

8.4 A **Member** raised drug sanctions, asked if appropriate treatment was available and whether sanctions were appropriate for people who might find it very difficult to stick to plans. **Mr McNulty** said the arguments were similar to that of childcare - that government needed to ensure that there are wrap-around services with intense multi-agency work, and that this was why DWP is piloting rather than implementing.

8.5 A **Member** discussed drug programmes, and said that his experience of being a magistrate was that mandating does not work. **Mr McNulty** replied that sanctions are part of a continuum and ongoing process. Another **Member** said he understood the presentational value of having sanctions as a backstop, but asked what would happen if they were to be widely used. **Mr McNulty** said that as with all policies it would be necessary to continue to evaluate, and that we would look at processes (eg training of personal advisers) as well as policy.

8.6 The **Chair** asked about resource and capacity constraints of increased numbers of people remaining in Further or Higher Education as a trade-off against keeping people off benefits. **Mr McNulty** responded that there was sufficient capacity in the education sector, and that we did not want a big increase in NEETs (Those Not in Education Employment or Training). A **Member** questioned this, commenting that there have been examples of prior year budget cuts being made in arrears.

8.7 A **Member** said that the jobs guarantee was at risk of creating and cementing a gender gap. 18-24 year old males would suffer because they would not be as willing to take jobs in the sectors on offer as young women. **Mr McNulty** responded that the detailed framework was still being developed, but that this something the department would need to consider. He said that jobs should be socially useful and productive, noting the growing need for support in the care sector.

8.8 **Members** raised concern about quality controls on outsourcing and whether those dealing with private contractors would get the same level of support as those working with Jobcentre Plus. They asked that there should

be auditable trails for advice given, which is particularly important for tax credits. **Mr McNulty** reassured members that people will only dip in and out to external provision, and that advice about benefits, tax credits and other financial information would continue to come directly from JCP. He agreed that there is a need to be clearer about the advice given on this.

8.9 The **Chair** raised concerns with the different timeframes of Gregg pilots (2.5 year progression to work and 4 year personalised employment) and whether they would be evaluated at different times. He pointed out that this could mean policy was being developed and implemented without a clear understanding of how incentives in the system operate. A Member raised concerns about pathfinders ending before pilots had really got going and the need to evaluate both together. **Mr McNulty** agreed to go back to the Committee on this.

9. Action Points for SSAC and Action Taken

AP & Para.	
9.1	<i>Reserved item.</i>
9.2 A7	June agenda to allow time to reflect on work done by the committee and working practices over the last year. The agenda includes the relevant items.
9.3 1.2	Secretariat to circulate responses to questions on swine 'flu. Circulated and cleared without further comments
9.4 2.2	Members to submit travel plans for Cardiff to the Secretariat as soon as possible. Completed
9.5 2.6	Members and Secretariat to submit reports on visits carried out as soon as possible. Completed received.
9.6 2.7	Members to submit bids for visits as soon as possible. Bids received, and 17 visits in planning
9.7 3.13	Alan Armstrong to provide further information about Scanning and the implications of lost documents. Ongoing – emails of 15 & 22/5/09
9.8	<i>Reserved item.</i>
9.7 6.22	Secretariat to liaise with officials about evaluation strategy and timescales for Gregg pilots Ongoing
9.8 8.2	Secretariat to circulate revised Lone Parent timescale to members. Received and circulated 2/6/09
9.9 8.9	Minister of State to write to committee about evaluation of pathfinders and pilots. Expected mid June