

MINUTES OF MEETING HELD AT NEW COURT ON 1st OCTOBER 2008

Present: Chair: Sir Richard Tilt

Members: Mr K Akuffo
Mr L Allamby
Dr A Erskine
Mr R Exell
Ms A Garnham (arrived 11 am)
Professor E Kempson
Mr L Naumann
Professor A Ogus
Ms P Smail
Professor J Walker
Professor R Walker

Officials: Ms Clare Mitton (Item 3)
Mr Nick Chaplin (Item 3)
Mr Brendan O’Gorman (Item 4)
Ms Julie Munt (Item 4)
Ms Jacinda Humphry (Item 5)
Mr David Bailey (Item 5)
Mr Mike Keegan (Item 6)
Mr Derek French (Item 6)
Mr Andrew Thomas (Item 6)
Mr Nick Butler (Item 6)
Ms Beverley Walsh (Item 7)
Mr Del Jenkins (Item 7)

Secretariat: Ms G Saunders
Dr A Bee
Dr N Moss
Mrs E Harnett
Mr J Allen

Observers: Mr Steve Sidaway, Ms Emily Holdup and Dr Julia Griggs.

Apologies: Mrs B Campbell; Mr S Bartley.

Marking the retirement of Professor Ogus from the Committee, the **Chair** noted his fifteen years of service, expressed his thanks and appreciation for the contribution he had made to the Committee’s work, and offered the Committee’s best wishes for the future.

The **Chair** welcomed Drs Anna Bee and Nicola Moss, who are job-sharing the Secretariat’s ‘research and policy officer’ post. He welcomed Steve Sidaway, Emily Holdup and Dr Julia Griggs as observers.

[Reserved Item].

1. Minutes and Action List

1.1 The **Secretariat** apologised for problems with the completion of the minutes and the late amendment to items 4 and 5. **Members** identified spelling errors and missing words for correction. **Members** noted at 5.10 that there are not two providers in all areas.

1.2 The minutes of the September meeting were agreed subject to these corrections.

2. Chairman's Report

2.1 The backdating regulations have been laid and the Command Paper published and copied to members. The response's one year concession, leaving HB CTB backdating at 6 months (subject to review after one year), has been welcomed by stakeholders who remained concerned about the longer term consequences of the reduction in backdating periods.

2.2 There has been no further news on the Lone Parent report. The regulations are affirmative and must be debated. It seems likely that the regulations will be laid in the next week or so. A response has been received from DSD Northern Ireland and circulated. A **Member** advised that Northern Ireland ministers are looking at a number of options.

2.3 A reply from the Minister of State to the letter on 'better off in work' concerns has been received and circulated. A **Member** has suggested that the DWP be asked to include in the evaluation some questions around customer perceptions of the accuracy of the label of the Better Off in Work Credit. The **Chair** proposed a visit to a pilot site.

2.4 A number of members went on a well-organised visit to Derby contact centre hosted by Val Gibson. The report is being written up. Val Gibson will write to the Committee about how they intend to pilot offering call back. There have been proposals to use a smaller number of contact numbers. It is not thought practical to use just one number. There has been no response as yet to the telephony letter. *[Response received 2/10/08 and circulated].*

2.5 The **Secretary** reported that when she and a member attended a welfare reform Green Paper event, there was a revised statement from officials which suggested that 'call backs' are being offered to callers to service numbers for pensioner enquiries. This divergence in policy was noted. Meanwhile, a recent COMMS message to the Secretariat contained a standard message for leaflets that included references to 0870 numbers. It is thought that the DWP no longer uses 0870 numbers and the Secretary will ask for clarification.

2.6 A first meeting of the working group drawing up a new Memorandum of Understanding (MoU) with HMRC and HMT has taken place. There were no significant objections to the draft. Written comments are awaited from HMRC

and a reminder has been sent. The **Chair** was keen that the MoU should be signed before the Financial Secretary to the Treasury attends the SSCA meeting on 12th November. The **Secretary** advised that HMRC has pre-notified two items of regulations for the next six months.

2.7 **Members** considered the proposal by Dr Julia Griggs and Fran Bennett for the 'rights and responsibilities' project. The **Secretary** advised that members would have the opportunity to discuss the project with Drs. Griggs, Moss and Bee after the meeting.

2.8 **Members** discussed a number of issues that might be covered by the project. These included a broader emphasis in the headings on 'rights and responsibilities' rather than 'conditionality' (4.3, 4.4 and 4.6). It was agreed that Dr Griggs would revise the headings.

2.9 **Members** expressed concern that the gradual move away from the 'contributory principle' has affected rights, including human rights. It was noted that joined up government needs to recognise rights and responsibilities in social policy generally and not just social security. **Members** noted the erosion of rights, such as the Secretary of State's duties in the 1966 and 1976 Acts, at the same time as the responsibilities of claimants increased.

2.10 A **Member** noted the role of tax credits in the social security system and asked that the project look more broadly at the impact of the tax system. The **Secretary** advised that the direction of the project is currently open and will allow for input at the stakeholders' event. **Dr Griggs** advised that the wider background would be considered but that the remit of the project should not be too broad.

2.11 **Dr Griggs** agreed to amend the proposal. **Members** agreed that the 'rights and responsibilities' project should proceed.

2.12 The **Secretary** has met officials dealing with the proposed changes to the payment of mortgage interest to JSA recipients that were announced recently. She has asked for fuller details for the Committee as soon as they are available.

2.13 There has been little response from officials to the review of the 6 months rule trial. Most of the officials involved have moved jobs and several have left the Department. It is likely that the Secretary will work with the sponsor team on the information that is available with a view to making a recommendation on the continuation of the current arrangements by the end of the year.

2.14 The **Chair** has written to the Minister of State for Employment and Welfare Reform to draw attention to issues that will be raised in the Committee's report on the proposed pay day and periodicity changes, in particular IT consequential. Members discussed the draft report and the responses that have been circulated.

2.15 **Members** discussed whether transitions could be simplified by a one-off grant rather than by loans. In order to simplify the system, it was noted that people on incomes which are already very low would have even less to live on because they will be repaying the loan over a period of time. The **Secretariat** advised that the system will still pay customers for each day of entitlement and that an ex-gratia payment could only be paid if they were losing out. **Members** asked about costs and the 'spend to save' argument. The **Secretary** advised that one-off payments would cost about one hundred and twenty million pounds and the saving would be about eleven million pounds. She also noted that only one respondent to the consultation had supported one-off payments.

2.16 **Members** discussed the use of the term 'losers' in the draft, paragraph 6.2. One felt that if a customer receives their benefit later than they would previously have received it then they are a 'loser' deserving compensation. Other **Members** considered that customers would be disadvantaged by the move of their payment day from when they needed and had budgeted for the money. Some would have to borrow at high interest rates. Others might be less disadvantaged because they have access to capital or other income.

2.17 **Members** discussed how to identify those with other income or capital but noted that the relative numbers with capital will be small. The **Secretary** reminded members that small amounts of capital might not be recorded.

2.18 **Members** spoke about how to differentiate between disadvantaged people and people who are disadvantaged by the proposals. **Members** considered that those who fall within both descriptions, the 'disadvantaged disadvantaged' are the most in need; and that policy should be how best to spend the marginal pound in supporting the most needy. **Members** asked about strengthening the weekly payment option (6.4). The **Secretary** advised that this had been discussed between DWP and HMRC in 2006 and that it would not be actively offered. **Members** asked that it be considered in the recommendations.

2.19 **Members** noted at paragraph 4.2 that those who move from receiving payments a week in advance to a week in arrears will be impacted most. There may be similar issues in future. **Members** asked about recommending a targeted grant for the most disadvantaged. The **Chair** noted that if the numbers who have the maximum £1500 outstanding debt to the Social Fund is so small then the DWP should be able to offer something. The **Secretary** advised that the Department had pointed to the availability of Community Care grants for this group.

2.20 **Members** discussed extending repayment periods for loans or even deferring repayment until the end of the claim. There was support for 52 week repayment period and no less than 26 weeks. It was considered that payment at the end would be detrimental to transitions into work.

2.21 **Members** asked that the recommendations send a strong message that, if and when further change is made, the Department should not assume that there is no loss. They should think about other options at an early stage, including giving a grant and one hundred percent loans.

2.22 **Members** said that they were generally happy with the report but would like additional recommendations and sections 6.3 and 6.4 to be strengthened. The **Secretary** agreed to identify changes using bold text so that members could quickly review and comment on the changes. The **Secretary** reminded members that the final version must be submitted by Friday 3rd October.

2.23 **Members** expressed particular concern about the lateness and adequacy of the consultation. They asked that the report note that 'the process of consultation was inhibited' by the early decisions on the IT support for changes.

3. The Housing Benefit and Council Tax Benefit (Miscellaneous) Amendments Regulations 2008 – Paper 44/08

3.1 **Ms Clare Mitton**, from DWP Housing Benefit Strategy Division and **Mr Nick Chaplin**, from the HMRC/DWP In and Out of Work project presented the item.

3.2 **Ms Mitton** explained that the proposals make minor but beneficial changes to the Housing Benefit (HB) and Council Tax Benefit (CTB) regulations in support of the 'In and Out of Work' processes. **Ms Mitton** said that LAs had been consulted on the proposals and to date two responses had been received. **Ms Mitton** invited questions or comment.

3.3 A **Member** commented that the changes proposed were sensible. However, the **Member** asked for reassurance that the communication process as described in paragraph 38 of the EM was fit for purpose. **Ms Mitton** said that the process had been used successfully in the pilot areas. **Ms Mitton** said that this would only become an issue, if the Local Authority (LA) did not have access to secure email through GCSx but that department colleagues were working with LAs to ensure that only a small number would not have GCSx by April 2009. The **Member** asked if the number and size of the LAs that were unlikely to have GCSx, by next April, was known, and asked what process these LAs would follow. **Ms Mitton** said that she would provide the Committee with the information about numbers/size, and confirmed that those LAs affected would continue to use the current process.

3.4 A **Member** asked if any of the LA responses to the consultation had suggested changes to the proposals that had been acted on. **Ms Mitton** replied that the responses had concentrated on the documentation used in the process.

3.5 A **Member** asked if Jobcentre Plus had the capacity for the extra work and noted that the 'into work' cases in the pilots had been low. **Ms Mitton** said that the out of work process did not involve much more than the current operating model. The impact of the process on resourcing had been assessed. It was unclear at this stage whether there would be an increase in the volumes of 'into work' cases and that further evaluation was planned. **Ms Mitton** added that Jobcentre Plus (JCP) recognised the need to allocate additional resource.

3.6 The **Member** asked if the 'non-issue of the customer statement' had any implications for the customer. **Ms Mitton** said that previously the Contact Centre would issue the statement to the customer, who would then bring it to the Jobcentre Plus office. **Ms Mitton** said that in the revised process the customer statement would be sent directly to the appropriate Jobcentre, for the Adviser to issue to the customer. Another **Member** commented that she had seen this procedure when visiting an In and Out of Work pilot site, and that it worked very well.

3.7 A **Member** commented that he had also visited an In and Out of Work pilot office, in West Lothian and that he had been very impressed. The **Member** asked how confident officials were about the strategic IT solution described in paragraph 35 of the EM. **Ms Mitton** said that the IT requirements were currently with EDS who were confident that they could deliver a strategic solution. The **Member** asked if the implementation date would be postponed if this proved not to be the case. **Ms Mitton** said that a number of contingency plans had been developed to deal with possible risks. **Mr Chaplin** emphasised that EDS were confident that they could deliver a strategic IT solution before April. However, **Mr Chaplin** added that until the Department takes receipt of the package it would be very difficult to say precisely what if any risks were involved. The **Member** commented that the EM referred to training for Jobcentre Plus and LA staff, but not for HMRC staff and asked why this was. **Mr Chaplin** said a substantial implementation pack had been distributed to Jobcentre Plus Implementation Managers. The pack includes information on Tax Credits. **Mr Chaplin** said a small trial was being introduced to test a variation to the current process that might remove the need to give Tax Credits familiarisation training to Jobcentre Plus staff. The number of Tax Credits staff involved is very small and the training delivered to them was concerned with receiving information from Jobcentre Plus and sending the information to local authorities.

3.8 A **Member** said that in the EM, the phrases 'tell us once' and 'one touch' are used and asked if they meant the same thing. **Mr Chaplin** agreed that they meant the same thing and added that the phrase, 'tell us once' raised expectations. He agreed that he would therefore suggest to the Project Manager that the Project team discontinue the use of the phrase.

3.9 A **Member** requested clarification on the new paragraph, 2a that will be inserted into Regulation 88. **Ms Mitton** explained that the change was intended to allow those customers who had been given a telephone number under the new processes to report to the Jobcentre that they or their partner had started work.

3.10 A **Member** commented that he was very supportive of the In and Out of Work project but expressed concern about the quality of communication between JCP/HMRC/LAs. The **Member** gave an example of where the effective exchange of information between JCP, HMRC and the LA had disadvantaged a customer. The **Member** said that although the information exchanged had been factual correct, the circumstances had not been communicated and the customer had to make a renewal claim for HB & CT. **Ms Mitton** said that the Member had a valid point but that the Department continues to work with LAs on performance improvement. **Ms Mitton** explained that the In and Out of Work

process would ensure that LAs would get more information quickly about a move into work.

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

4. The Social Fund Cold Weather Payments (General) Amendment Regulations 2008 (Paper 45/08)

4.1 The **Chair** welcomed **Mr Brendan O’Gorman** and **Ms Julie Munt**.

4.2 **Mr O’Gorman** apologised for the late submission to the committee of what is usually a technical updating and asked for an urgent notification of the committee’s decision. He drew attention to the proposed regulation 3, increasing cold weather payments from £8.50 to £25 for the winter of 2008/9 only.

4.3 The **Chair** asked how much was paid out in Cold Weather payments. **Mr O’Gorman** replied that last year was mild and about four million pounds was paid out. Using past years and the increased costs, estimates are around sixteen million pounds a year. However this is very variable and depends on how cold the weather is.

4.4 **Members** asked about the numbers in the table after section 14 of the Equality Impact Assessment. It was noted that IB customers had not necessarily been eligible in the past and asked if they would be included with ESA. **Mr O’Gorman** replied that the number of those on ESA who would be eligible are not shown on the table as ESA will only be introduced from 27th October. He confirmed that those on income related ESA would be eligible when they move onto main phase ESA, usually after the first fourteen weeks. Those on income related ESA with a child under 5, a child who is disabled, pensioner or similar premiums as in the table, will also be eligible for the first fourteen weeks.

4.5 **Members** noted that the dates for payments end in March and asked if there has ever been a cold snap that might trigger payments in April. **Mr O’Gorman** replied that he was not aware of such a case.

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

5. Presentation: the Green Paper

5.1 The **Chair** welcomed **Ms Humphry** and **Mr Bailey**. A handout (Annex 1) was distributed and **Mr Bailey** talked through the contents and invited questions.

5.2 A **Member** noted that the proposals on individual budgets did not appear to differ from current arrangements. **Ms Humphry** explained that currently people have the right to request a cash budget. The proposals would extend the cash option to a wider range of budgets, but does not specify which ones. The various possibilities are under discussion with the other government departments. Extensions to Access to Work (AtW) and adaptations are being piloted by Department of Health. In terms of AtW, there is currently a mixed economy of provision, with ownership divided between employers and clients. For the future, the Secretary of State wants to see wide ranging provision. The intention is to bring new measures within the Welfare Reform Bill. Officials are optimistic that a cross-government impetus, alongside the close support and engagement of disabled people, will be productive.

5.3 Another **Member** observed that AtW is very important but that there are currently major problems with the 'ownership' of adaptations and their 'portability'. This does not suggest that the rights of the disabled person have been placed at the heart of these arrangements. **Ms Humphry** said that consideration was being given to making operational improvements to the system, with an emphasis on how more control might be given to the individual client.

5.4 A **Member** asked about the current status of the Flexible New Deal (FND), noting that FND is a large part of the Green Paper, but is also being legislated, with proposed regulations coming to the Committee later in the day. The **Member** commented on the absence from the Green Paper of a specific 'rights' agenda for people other than those who are disabled. The **Member** also asked how ministers had responded to the many negative impacts associated with various forms of 'workfare' and 'work for benefit', and whether they planned any targeted initiatives to better engage employers in the drive to open up employment to people with mental health and other 'fluctuating' conditions.

5.5 **Mr Bailey** responded, pointing to the proposals to fully test 'workfare' through piloting models specific to Great Britain. Some elements such as a more intensive regime for the over-50s would be piloted. Others would be national programmes from the outset. With regard to the rights of non-disabled customers he explained that the approach taken was to focus on the right to skills and support in a context of fostering independence and self-improvement. The FND content of the Green Paper is about the proposed 'work for benefit' provisions that will form the final part of the FND journey. This is the main part of FND that is now under consultation.

5.6 A **Member** asked to what extent had engagement with, and feedback from, officials and ministers in the devolved administrations been factored in to the proposals. **Ms Humphry** replied, pointing to consultation events that are underway, including events led by the devolved administrations. However,

many of the proposals are 'England only' and the impact of devolution on the overall direction of welfare reform is well recognised.

5.7 With regard to the proposals for a further extension of conditionality, a **Member** raised the example of the failure of the Community Sentences pilot. The **Member** suggested that if the latter could not be made to work, it seems highly unlikely that the proposed regime for drug users would be effective. In reply, **Ms Humphry** pointed to the intention to pilot the proposed arrangements. This would be the best way of testing what would work. Across government there is a conviction that 'setting an example' by way of the messages on sanctions is essential to both its welfare reform and wider policy agendas.

5.8 A **Member** asked where child poverty impacts were considered in this context. For example, how impacts on the families of those sanctioned were assessed. **Mr Bailey** replied that some aspects of the proposals had already been considered with regard to their potentially positive impacts – for example, the changes to child maintenance. Impacts overall would be considered with any evaluation, and he offered to engage SSAC in the design of any evaluation programme on the drugs proposals.

5.9 Returning to consideration of the direct payment arrangements, a **Member** observed that their impact and performance was often contingent upon the enthusiasm of local authorities and the presence of key facilities such as Independent Living Centres. **Ms Humphry** acknowledged the importance of working with best practice and pointed to work on the supporting infrastructure for direct payments that was already underway. The Department of Health has reviewed the funding arrangements and will be looking at the budgets and capabilities of relevant organisations, as well as the appropriate levels of funding for services overall.

5.10 Noting the large numbers of pilots that the Department has run, is running or has proposed, a **Member** suggested that it would be helpful to have these 'charted', so as to provide a quick guide to what is going on where, the evidence gathered etc as well as a reference point for the development of the welfare reform programme. **Ms Humphry** agreed to investigate whether something of this nature could be provided for the Committee.

5.11 Another **Member** questioned why, on the basis of the evidence already available, the Department was so keen to pilot provisions that appear to have little chance of delivering ministers' objectives. **Ms Humphry** contested the assertion that, for example, community work, is ineffective. Although such work may not directly support a return to paid employment, it may be effective as an 'activation' message, and this is worth testing. A **Member** suggested that research might be a more effective way of gathering evidence, helping to build a fuller understanding of the issues that would usefully support policy development. In reply, **Ms Humphry** noted that both piloting and research had a role to play and offered to let the Committee have details of any research on relevant topics in the Department's current programme.

5.12 The **Chair** thanked officials and indicated that the Committee's response to the Green Paper would focus on concerns about the evidence base for the proposals and extensions of conditionality.

6. The Social Security (Flexible New Deal) Regulations 2009 – Paper 46/08

6.1 Officials presented a high-level briefing to the Committee at the September 2008 meeting.

6.2 **Mr Derek French**, Jobseeker's Regime and Flexible New Deal (JRFND) Project Manager, **Mr Mike Keegan**, JRFND Implementation Manager, **Mr Andrew Thomas**, Jobseekers Division Analysis Team and **Mr Nick Butler**, Jobseeker's Division Strategic Design Team presented the item.

6.3 **Mr French** introduced the package, and explained that the proposed changes included the introduction of a revised Jobseeker's Regime, effective as of April 09 and that of Flexible New Deal (FND), as of 5 October 2009.

6.4 **Mr Keegan** explained that the Equality Impact Assessment would be reviewed during the evaluation period. **Mr Keegan** said that the interim evaluation report should be available in Jan/Feb 2009 and extended an invitation for interested members to be part of the evaluation steering group. **Mr French** welcomed questions or comment from the Committee.

6.5 A **Member** asked how the reduction in the claimant count of between 10,000 and 20,000, due to the implementation of FND was arrived at. The **Member** also said that he was surprised to note that the EM states that Employment Zones (EZs) were better than New Deal. The **Member** commented that evidence indicates, that early intervention with those that have been identified, as the hardest to help is very often the deciding factor in helping them achieving their goal. The **Member** said that he was very concerned that with the FND, claimants may have a twelve-month delay before they receive help. **Mr French** said that the regime is flexible in that people do not have to wait twelve months before they receive help. **Mr French** said that the initial interview was designed to help identify people who for example may need help with basic skills; they could enter the programme at an earlier stage. **Mr French** said that it is anticipated that only 10 per cent will reach the twelve-month stage. **Mr Thomas** said that in arriving at the 10,000 to 20,000 figure a judgement was made using the evidence of previous intervention programmes, such as the New Deals, Employment Zones and Restart. **Mr Thomas** said that a recent synthesis of the evidence on EZs concluded that while EZs performed better than their New Deal comparators they cost more. **Mr Thomas** said that in introducing FND the Department was seeking to build on the high performance of EZs whilst driving efficiencies through the competitive tendering process.

6.6 The **Chair** thanked Officials for sending the Committee the latest evaluation updates from the test sites, including updates on the Back to Work Group Sessions (BWGS) and commented that he was pleased to see a month on month improvement in the attendance rate. The **Chair** asked when the

published information was due. **Mr Keegan** said that an interim internal report was due at the end of September and that a draft final report was due at the end of January (with publication following). **Mr Keegan** said that he would provide the Committee with copies of the interim report.

6.7 A **Member** said that she was concerned about moving from voluntary participation to that of mandatory. The **Member** said that she understood that customer feedback suggests that customers appear happy with this change but asked how this translated into people moving into work. **Mr Thomas** said that a number of pilot sites were set up to test the process and while the indications that people are moving into work are there, the Department were waiting for the formal data to come through.

6.8 A **Member** commented that paragraph 5.4 of the EM refers to Employment Officer Status being conferred on contractors; the **Member** said that it would appear that the government is giving the private sector significant authority to get people to do things. The **Member**, in referring to a line in the EM said it would appear the job of the Adviser would become one of checking that people were making efforts to find work and that he had always thought their job was to help people find work. **Mr French** agreed, saying the EM reflected the fact that people claiming Jobseeker's Allowance are required to actively seek employment and failure to pursue job opportunities could raise doubts about their entitlement. However, the job of the Adviser is to support people into work and that is their primary aim in submitting people to jobs. The line in the EM would be amended to make this clear. In relation to Employment Officer Status, **Mr French** said that there were precedents, for example in the Provider – led Pathways model where contractors also had Employment Officer Status. **Mr French** said that Pathways providers had a responsibility to inform Jobcentre Plus if people did not comply with activities such as attending additional work focussed interviews but the decision to sanction was made by a Jobcentre Plus Decision Maker (DM). **Mr Butler** added that reason for conferring Employment Officer Status was to ensure that providers could work with customers, so that providers did not constantly have to refer to Jobcentre Plus when deciding an appropriate course of action with a customer.

6.9 A **Member** commented that the main difference between the current position and one that is proposed is that providers will be paid by result and that this caused her concern. The **Member** said that many of the anticipated results are based on the current economic climate, and asked how confident Officials were that the programme would go ahead should the unemployment count escalate. **Mr French** said that even in a depressed economy there were jobs available and that it would be even more important to have an active labour market. The **Member** asked whether the numbers would remain the same in that only 10 per cent will get to stage four. **Mr French** said that contracts would be over six years (five years of referrals from Jobcentre Plus, plus 12-18 months to work with customers referred in the final year), and over that length of time it was inevitable that volumes would fluctuate. The contract management framework would therefore allow for regular and ad hoc opportunities for the Department and contractors to consider volume forecasts and other changes, for example new policy initiatives impacting on FND.

6.10 A **Member** asked for clarification about voluntary extension upon completion of the FND. The **Member** was concerned that although the customer had 'volunteered' to remain on the programme they could be sanctioned. He asked how the programme could be voluntary, when consent to participate immediately put the claimant in a mandatory programme. **Mr Thomas** said that the customer would have discussed the option to volunteer with the provider and their Jobcentre Plus Personal Adviser and that if the customer chooses to continue, they will be made aware of the mandatory requirements. **Mr French** said that the customer would remain in receipt of JSA, and to maintain their entitlement they would need to take reasonable steps to obtain work. If they had agreed a set of actions with a provider, which included an extension, it would be reasonable to expect them to adhere to that agreement. As with a contract, the agreement would be entered into voluntarily, but would then be binding.

6.11 A **Member** asked about the sanctions described in paragraph 4.5.3 of the EM and asked if they were consecutive or concurrent e.g. if someone was sanctioned for a third time and received a 26 week sanction, and then complied but then did not and was sanctioned again, would they lose 26+26 weeks benefit. **Mr Thomas** confirmed that sanctions would run concurrently.

6.12 A **Member** asked if the timing of the Back to Work Group sessions (BWGS) was specified in the Regulations. **Mr Keegan** said that the timing of the BWGS had been left flexible in the Regulations and that they were currently set at the 6 to 9 week stage, but that this would be evaluated and reviewed. The **Member** commented that she would like to see the timing tailored to individual needs.

6.13 A **Member** referred to paragraph 8.4 (Child Poverty), and asked whether it was the Ministers' view that promoting work was considered as 'the means for individuals to take greater responsibility for their own welfare' or as has been expressed in the past as 'the best route out of poverty'. **Mr Thomas** said the wording would be amended to reflect Ministers' position on the compelling evidence about the benefits of work for people's well-being and their children's life chances.

6.14 A **Member** questioned the relationship between the FND proposals and the current Green Paper. **Mr French** said that FND was being introduced in two phases, in 2009 and 2010. That the changes due to be introduced in 2009 stemmed from last years Green Paper and that the Green Paper currently out for consultation would impact on the second phase of FND due to be introduced in 2010. The **Member** commented that the Department would be introducing changes before the 2009 FND could be evaluated. **Mr French** explained that the original intention had been to introduce FND everywhere at the same time. Phasing would allow lessons to be learned from the first implementation in time to inform the second phase, and would place less pressure on Jobcentre Plus and providers. The **Member** asked about sanctions as described in paragraph 3.2 of the EM. **Mr Butler** explained that these would replicate what currently happens. The **Member** asked how long a sanction would last if a customer were to be sanctioned for a repeat omission at 10 months. **Mr Keegan** explained that a first non-compliance would attract a 2-week sanction, a second

non-compliance would attract a four week sanction, and that third and subsequent incidents on non-compliance would attract 26 week sanctions. The sanction would be placed on their Jobseeker's Allowance, but should they comply they would be able to regain income and would be awarded an Allowance to cover the period of sanction whilst they remain engaged in the FND. On completion of the FND, if there was still a sanction in place on their Jobseeker's Allowance they would be able to claim hardship, and if there was still remaining time left on a first 26 week sanction this could be reduced to 4 weeks at this point. However second and subsequent 26 week sanctions would not be reduced.

6.15 **A Member** asked for clarification on the use of the term ESF project funding. **Mr French** said that the Department intended to claim match funding for FND expenditure through the European Social Fund (ESF).

6.16 **A Member** asked if there would be an opportunity to renegotiate provider contracts / budgets if the market were to become depressed. **Mr French** said that contracts would be for much longer periods than current programmes, and that although contracts and performance would be reviewed periodically there would be no automatic point at which the budget would increase due to an increase in the number of participants. That would be for DWP contract managers and providers to consider in the light of circumstances. The **Chair** commented that drafting of contracts would be very difficult in these circumstances. **Mr Thomas** said there would be formal reviews of the contract between providers and the departments contract managers and that there would also be regular liaison to assess the situation. **Mr French** said that the contracts would contain clauses that would allow either side to withdraw in given circumstances.

After a private discussion, officials were informed that the Committee had decided that the proposals for changes to the regulations are to be formally referred.

7. Social Security (Breach of Community Order) (Amendment and Revocation) Regulations 2008. (Paper 47/08)

7.1 **Ms Beverly Walsh** briefly introduced the regulations that will end the 'Benefit Sanction' Pilots from December 2008. The Pilots were introduced in 2001. The **Chair** asked whether there had been much use of the pilots in recent years. **Mr Del Jenkins** replied that although the pilots had ceased being formally monitored in 2004, data from the Derbyshire Pilot suggested that the sanctions were still being used.

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

8. Action Points

| <u>AP & Para.</u> | <u>Action Point</u> |
|-----------------------|--|
| 8.1 (2.3) | Members to visit a 'Better off in Work' pilot site. |
| 8.2 (2.5) | Secretary to query divergence in telephony policies on 'call back' and use of 0870 numbers (<i>this will be taken forward by Dr Bee, working on a response to the Department's most recent letter on telephony</i>). |
| 8.3 (2.6) | MoU with HMRC and HMT to be signed before FST attends meeting on 12 th November. (<i>Still awaiting HMRC sign off</i>) |
| 8.4 (2.11) | Rights and Responsibilities project to proceed. (<i>Work started straight after meeting. Regular feedback due</i>). |
| 8.5 (2.14) | Periodicity and Payday report to be completed. (<i>Dispatched</i>). |
| 8.6 (5.10) | Ms Humphry agreed to investigate whether a list of pilots (both current and proposed) could be provided for the Committee. |