

## Quarterly Business Up-date April 2009



Welcome to the April 2009 Social Security Advisory Committee's quarterly business updates. This up-date provides a summary of the Committee's activities, including formal referral of regulations, publications and developments around its independent work programme. The next up-date will be published in July 2009.

### **Memorandum of Understanding (MoU) between HM Treasury, HM Revenue and Customs and the SSAC**

Since 2004 SSAC has been giving informal advice on Tax Credits, Child Benefit, NICs and Guardian's Allowance to HMRC under the conditions of a Memorandum of Understanding (MoU). Unlike its relationship with the DWP the MoU bound the Committee to confidentiality in relation to any comments on Revenue regulations or advice to Treasury Ministers.

Following an independent review of the MoU in 2008, the terms on which our advice is presented have been modified and a new MoU was signed in January 2009. HM Treasury is now a signatory to the agreement, and the condition of confidentiality has been removed. This change has been widely welcomed and our experience of working under the terms of the new MoU has been positive.

*The full MoU is available on the SSAC website at: <http://www.ssac.org.uk/pdf/MoU-Treasury-HMRC-SSAC.pdf>*

### **The SSAC Stakeholder Seminar 13 November 2008**

This was our third annual Stakeholder Seminar, and like its predecessor, it was very well attended and held at Sadler's Wells in London, a venue that has proved very popular with participants.

Richard Tilt opened the morning session with an up-date on the Committee's work. Attendees then had an opportunity to discuss the Committee's priorities for the coming year with a panel of four SSAC Members. The morning session concluded with a presentation by Mike Brewer (Institute for Fiscal Studies) on 'Compliance costs in the benefit system'

The afternoon session was led by Fran Bennett and Julia Griggs, (Department of Social Policy and Social Work, University of Oxford). Dr Griggs gave a short presentation to introduce a paper they are preparing for SSAC on rights and responsibilities in the social security system, and to put forward a discussion guide for the afternoon session.

The discussion guide listed key issues and questions, with accompanying descriptive paragraphs, for stakeholders to consider. Attendees were invited to discuss what issues should be considered when proposals are put forward to extend and/or increase conditionality. For example, what can benefit claimants reasonably be expected to do, and in exchange for what? The overall aim of the session was to develop a list of issues which could be considered when any extension of benefits conditionality is proposed in the future.

The Seminar provided us with some very useful material to take forward into our further consideration of rights and responsibilities in the social security system. We hope to publish the paper we have commissioned, incorporating findings from the stakeholder seminar, on the website in summer 2009

*For further information please contact Nicola Moss [Nicola.Moss@dwp.gsi.gov.uk](mailto:Nicola.Moss@dwp.gsi.gov.uk)*

**Command Paper and regulations for capping the LHA rate at the five bed rate (Cm 7571). Available at <http://www.official-documents.gov.uk/document/cm75/7571/7571.asp>**

In January the Government referred proposals to SSAC to cap the maximum amount of Local Housing Allowance (LHA) for all dwelling with six or more bedrooms at the five bed rate. We had concerns about a number of aspects of the proposals and so took them on formal referral, and put them out for public consultation. Our concerns centred on the apparent rush to legislate in response to adverse press coverage of a few cases of very high rents being paid for large houses in the London area. We did not think that the proposed regulations represented the most equitable, effective and efficient policy response.

We received a substantial number of responses, many sharing these concerns, and focusing on five main aspects of the regulations: the rationale for introducing the changes; the nature of the proposed transitional protection; the potential for discrimination against minority ethnic households; the negative impact on child poverty; and the impact upon households containing disabled people.

In our report to the Secretary of State, we recommended that the regulations should not be made. In its response, the Government rejected our recommendation but recognised our concerns about transitional protection and agreed to increase the period of transitional protection from three to six months.

*For further information, please contact Gill Saunders at [SSAC@dwp.gsi.gov.uk](mailto:SSAC@dwp.gsi.gov.uk) or on 0207 412 1506.*

### **SSAC Independent Work Programme**

Each year we develop an independent work programme that is undertaken by our research and policy specialists. The topics for the work programme are developed in consultation with stakeholders at the annual Seminar. The key topics for 2009 are listed below:

- Rights and Responsibilities
- Vulnerable Customers and DWP
- The role and training of Personal Advisers
- An up-date to the 2006 Occasional Paper on Telephony
- Public service and earnings disregards

If you would like any further information on the work programme you can contact Anna Bee [anna.bee@dwp.gsi.gov.uk](mailto:anna.bee@dwp.gsi.gov.uk) or Nicola Moss [nicola.moss@dwp.gsi.gov.uk](mailto:nicola.moss@dwp.gsi.gov.uk)

**Command paper and regulations for the introduction on the Flexible New Deal (Cm 7566). Available at <http://www.official-documents.gov.uk/document/cm75/7566/7566.asp>**

The Government referred proposals to SSAC in October 2008 for regulations that would implement an enhanced regime for JSA claimants, including the introduction of the Flexible New Deal (FND). We had a number of concerns with the proposals, took them on formal referral and initiated a public consultation exercise.

We received a relatively small number of responses, picking up on our concerns about aspects of the proposals, in particular around and content and timing of the Back to Work sessions. These sessions are an integral part of the FND, and it is important that they are delivered at an appropriate time and in an appropriate manner for the different customer groups. We made this point, and a number of other suggestions for modifications of the proposals, in our report to the SoS.

In its response to our report, the Government undertook to keep the timing of the sessions under review, and accepted a number of other recommendations with regard to how contractors should deal with participants.. These included ensuring that the sanctions regimes cannot be used as a reason not to work with the hardest-to-help customers; developing a transparent job entry validation system, where providers' results are available for public scrutiny; and ensuring that providers have in place a clearly communicated complaints procedure. However, the Government rejected our recommendation that the start of the second phase of FND (due to starting October 2010) should be delayed until the first phase had been fully evaluated and the design of the FND reviewed in light of the prevailing economic and labour market conditions

*For further information, please contact Gill Saunders at [SSAC@dwp.gsi.gov.uk](mailto:SSAC@dwp.gsi.gov.uk) or on 0207 412 1506.*

**Disclaimer** - This up-date contains links to websites that are not owned by SSAC. These websites are not under our control and we are not responsible in any way for any of their contents.