



DEPARTMENT FOR WORK AND PENSIONS

**Reply by the Government to
the First Report of Session 2002-2003
(HC 296)**

**Report on the Social Security
Advisory Committee**

*Presented to Parliament by the Secretary of State for Work and Pensions
by Command of Her Majesty
May 2004*

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REPLY BY THE GOVERNMENT TO THE FIRST REPORT OF SESSION 2002-2003 [HC 296]

Report on the Social Security Advisory Committee

INTRODUCTION

- 1 The Government welcomes the First Report of the Work and Pensions Select Committee Session 2001-02 on the Social Security Advisory Committee which was published on 29 January 2003.
- 2 The usual practice is that advisory bodies like SSAC are formally reviewed every five years to ensure that they are still appropriate and fulfilling their functions effectively. Alastair Darling agreed to such a review for SSAC in April 2002. It is usual to appoint an external reviewer to provide an independent assessment of the organisation. Professor Hazel Genn, Professor of Socio Legal Studies at University College, London was appointed to take on this task.
- 3 To run alongside the quinquennial review, the Work and Pensions Select Committee also carried out an inquiry. The Select Committee published its report on 29 January. The report is very supportive of the work SSAC does. As expected, the Select Committee report appeared before the Departmental review was concluded. The Committee agreed it was sensible to wait for a Government response pending the outcome of Professor Genn's work. Professor Genn's report was concluded in May 2003.

CONCLUSIONS AND RECOMMENDATIONS

- (a) **We believe that SSAC performs a worthwhile service for Parliament and others and agree with the overwhelming weight of the evidence that it should continue to exist (paragraph 31).**

The Government is in complete agreement with the Committee and is pleased the Committee concluded that it does not believe there is a plan to side-line SSAC as this is not the case.

- (b) **It seems logical to us that SSAC's remit should be extended (for example, to HM Treasury) to cover the various areas of social policy such as Tax Credits, which are replacing benefits which were formerly the province of SSAC, and we so recommend (paragraph 35).**

The Government notes the views of the Committee, and of the independent reviewer conducting the Quinquennial Review of SSAC, but remains of the view that it would not be appropriate to extend SSAC's statutory remit to cover tax credits. However, the Government values the contribution that SSAC has made in its work with the Inland Revenue in relation to tax credits and notes the Committee's comments in paragraph 36 of its report about formalising SSAC's links with the Revenue through a Memorandum of Understanding.

Inland Revenue officials are working with DWP officials and SSAC to draw up a draft Memorandum of Understanding between SSAC and the Revenue. It is envisaged that the memorandum will set out the practices that the Revenue will adopt in working with SSAC and that it will cover both the provision of draft tax credits regulations and information products to SSAC for comment and the provision by SSAC, in confidence, of advice to Treasury Ministers in relation to tax credits. Following the transfer of responsibility for child benefit and guardian's allowance to Treasury Ministers, the Government believes that it would be appropriate for the Memorandum also to cover those benefits, which are now administered by the Inland Revenue.

- (c) **Except for one important area, on which we comment below, we believe that the balance to be struck between private deliberation and public disclosure should be left to the personalities involved, provided that SSAC has the option to report any matters which are of concern in its Annual Report or by other appropriate methods (paragraph 38).**

The Government welcomes and agrees with the Committee's finding.

- (d) **We believe that the Department and SSAC should consider, as a matter of urgency, what changes to their procedures may be necessary in the light of the decision of the Appeal Court in the Howker case. In particular, consideration should be given as to whether departmental officials should be permitted to remain in the room while the advice they have given is discussed by SSAC. We will expect, in the Government's reply, to hear what steps have been taken to ensure that SSAC receives clear, unbiased advice on the effect of proposed regulations and what precautions are being taken to guarantee that, if a mistake is made, it is discovered and corrected before the regulation is put into force (paragraph 42).**

If the relationship between the Committee and the Department is to work effectively it is, of course, crucially important that the information supplied by the Department to the Committee is full and accurate. In September 2001, the then Permanent Secretary published guidance to DWP officials on the proper practice to be adopted when explaining regulations to SSAC. In addition, the Committee's secretariat continue to work closely with officials in the preparation of explanatory memoranda and undertake a considerable training commitment to make officials new to SSAC business aware of the Committee's needs and requirements.

In addition, also in 2001, the Department reviewed the management of the SSAC secretariat. The current arrangement is that the secretariat reports to the SSAC Chairman and has no direct accountability or reporting lines to the Department.

Every effort will be made to prevent an error occurring and urgent remedial action would be taken if it did.

It is perfectly feasible for Departmental officials to withdraw from SSAC meetings where SSAC feel it to be appropriate.

- (e) **We are reluctant to prescribe the exact support or additional resources which should be allocated to SSAC...but we believe that the Government will not wish to be seen to be restraining the activities of this important advisory Committee. We therefore recommend that, once the future responsibilities of SSAC are resolved, an appropriate additional sum is allocated to SSAC, the expenditure of which will be determined by them. The grant should thereafter be kept in line with the expenditure changes of the Departments whose delegated legislation SSAC is to monitor. It will, of course, be important to preserve the independence and objectivity of the SSAC and its secretariat in any expanded remit and we recommend that at least some of the SSAC secretariat be recruited independently of the DWP (paragraph 45).**

The Government has no wish to be seen to be restraining SSAC activities. Neither does it actually wish to do so and the Government is looking again at the resources available to SSAC and its Secretariat, including new research resources. We have considered the suggestion about some of the SSAC secretariat being recruited independently of the Department but take the view that the knowledge of the system that DWP staff bring to the Secretariat is the most important issue.

- (f) **We have been impressed, as have our predecessor Select Committees and many Members of the House, by the excellent work of the Social Security Advisory Committee and by the quality of its members and secretariat in providing expert, impartial advice in an area of legislation which might become a rather dark corner if it were not for the occasional floodlight emanating from SSAC. Any attempt to reduce, sideline or close down SSAC would be met with vigorous resistance. It will make excellent sense, in our view, if the changes we propose are adopted without delay so that SSAC can continue to assist not only the current Government, but also those which follow (paragraph 46).**

As has been said, there is no wish to reduce, sideline or close down SSAC.



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