

MEMORANDUM OF UNDERSTANDING
BETWEEN HM TREASURY, HM REVENUE & CUSTOMS
AND THE SOCIAL SECURITY ADVISORY COMMITTEE

Introduction and purpose

1. This document sets out the agreement between the named departments and the Social Security Advisory Committee (the Committee), under which the Committee will offer advice to Treasury Ministers, and officials of the relevant Departments, on matters within their respective and collective responsibilities. In particular, it describes the working arrangements between HM Treasury (HMT), HM Revenue & Customs (HMRC) and the Committee for:

- the generation and handling of the Committee's advice generally;
- the Committee's scrutiny of, and advice to Treasury Ministers and HMT and HMRC officials upon HMRC's draft secondary legislation; and
- its advice to Treasury Ministers and HMRC officials upon HMRC's public information strategy, processes and products.

2. The 2008 review of the July 2004 Memorandum of Understanding between the then Inland Revenue and the Committee endorsed the principle of having an expert independent body to provide advice across the range of benefit and tax credit issues, and proposed that a new Memorandum of Understanding should be drawn up, reflecting the conclusions of the review. The scope of this new Memorandum of Understanding has been extended to cover the two departments - HMT and HMRC - with which the Committee conducts non-statutory business in relation to benefits and tax credits.

3. Reflecting the enhanced scope of this new Memorandum of Understanding, the Committee Chairman will ensure that the appropriate steps are taken, whether in relation to statutory appointments, or through the non-statutory co-option of consultants, to maintain and develop the Committee's expertise across the full range of its responsibilities. Similarly, the best efforts will be made to ensure that the composition of the Secretariat includes HMRC expertise.

Policy areas covered by the Memorandum

4. The Memorandum covers the following policy areas:
- Tax Credits (Child and Working Tax Credit);
 - Child Benefit and Guardian's Allowance; and
 - aspects of policy on National Insurance Contributions that affect benefit entitlement.

Coverage

5. The Committee will provide advice generally, both on its own initiative and at the request of Treasury Ministers and HMT and HMRC officials, on policy matters covered by this Memorandum; and provide specific advice on draft regulations relating to:

- Child and Working Tax Credit;
- N.I contributions so far as they affect entitlement to contributory benefits; and
- Child Benefit, Guardians Allowance.

6. The Committee will also offer advice on HMRC's public information strategy, processes and products in respect of these provisions, on its own initiative or at the request of Treasury Ministers and HMRC officials.

Publication

7. Except where all parties to the Memorandum agree to conduct an item of business on an 'in confidence' basis, all such advice, and HMT's and HMRC's responses to it, will normally be published by the Committee on its website, and / or summarised in its Annual Report.

The general advisory role

8. Whether in respect of topics for policy advice that it has selected on its own initiative, or in response to specific requests, the Committee will be provided by HMT and HMRC officials with such information as it may reasonably require in connection with the formulation of such advice to Treasury Ministers, HMT and HMRC officials on the matters covered by this Memorandum of Understanding. Such information may be provided in the form of documentation, briefings and / or discussions with officials.

9. In addition to information supplied on an ad hoc basis, officials from HMT and HMRC will provide quarterly policy briefings and details of forthcoming legislation on the matters covered by this Memorandum and, on request attend Committee meetings.

10. The Committee's policy advice will take particular account of the impact of policy and operational provisions upon customers, especially where people are customers of both HMRC and the DWP, with the aim of promoting good customer service and, so far as is appropriate, consistency of approach.

11. In the course of the preparation of its advice to Treasury Ministers, HMT and HMRC officials, the Committee will offer officials the opportunity to discuss developing drafts. Responses to the Committee's advice will be made within 30 working days of its receipt

12. The Committee will publish both its advice and any responses to it on its website and / or in its Annual Report.

Advice on draft regulations

13. HMRC officials are responsible for notifying the Committee of their plans for legislation. The Committee Secretariat will issue its quarterly 'business trawl' document to HMRC officials for them to provide details of proposed regulations dealing with matters covered by this Memorandum that are scheduled for the next six months, along with a proposed timetable for SSAC scrutiny.

14. As proposed regulations are prepared, HMRC officials will notify the SSAC Secretariat of the date they will be submitted for SSAC's scrutiny, agree a timetable and handling arrangements (i.e. scrutiny 'by post' or by presentation to one of the Committee's business meetings) for the exercise, and prepare an Explanatory Memorandum detailing the nature and purpose of the proposals. HMT and HMRC officials will attend Committee meetings on request to provide further explanation.

15. HMRC will normally give the Committee a minimum of 12 working days from the date the draft regulations and accompanying Explanatory Memorandum are received for the scrutiny of proposed regulations. Unless agreed otherwise, the Committee will then respond in writing to Treasury Ministers, via HMRC, within the agreed period for the scrutiny exercise. The Committee may seek the views of other organisations whose input they believe would be valuable to the formulation of its advice.

16. HMT and HMRC officials will respond to the Committee on behalf of Treasury Ministers on points of substance arising from their comments and advice that Ministers are unable to accommodate, within 30 working days of the receipt of the Committee's advice. The Committee will then publish its advice, and any responses received, on its website and / or in its Annual Report.

Referral of draft information products.

17. Whether on its own initiative, or in response to specific requests from Treasury Ministers or HMT or HMRC officials, the Committee will offer advice to Treasury Ministers and HMT and HMRC officials on information strategies, processes and information products dealing with matters covered by this Memorandum of Understanding.

18. Where specific advice is sought by Treasury Ministers, HMT or HMRC officials will provide the Committee with a minimum of 10 working days in which to comment on draft information products. HMT or HMRC officials will respond to the Committee within 30 working days of the receipt of the Committee's advice on points of substance arising from their comments that they are unable to accommodate.

19. Such advice, and responses to it, will be summarised in the Committee's annual report.

Committee's Annual Stewardship Report

20. The Committee's Annual Stewardship Report will list all draft regulations and information products put to the Committee for scrutiny and advice, and all topics subject to advice offered on the Committee's initiative. The report will summarise the advice offered to Treasury Ministers and HMRC officials, and their responses to such advice, over the course of the year reported upon. The Report may also include a commentary about the operation over the year of the Memorandum of Understanding.

21. HMT and HMRC officials will be given 12 working days to comment on the wording of proposed entries in the annual report.

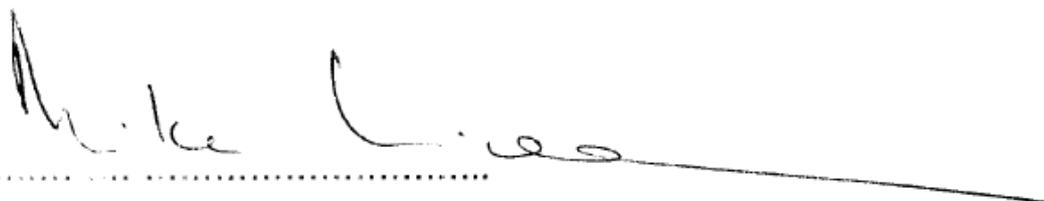
Monitoring, evaluation and review

22. The arrangements will be monitored by all signatories to this Memorandum of Understanding to:

- ensure the Memorandum is being adhered to;
- ensure that the process and role adds value and is operating well; and
- with a view to making improvements.

23. HMT and HMRC or the Committee may initiate a review at any time if they feel that the provisions of this Memorandum would benefit from scrutiny. The Department for Work and Pensions may be invited to comment on any aspects of the arrangements that have had an effect on their own areas of responsibility.

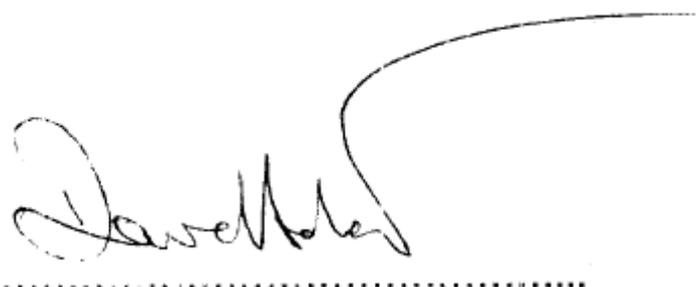
SIGNED BY:

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MIKE WILLIAMS

HM TREASURY

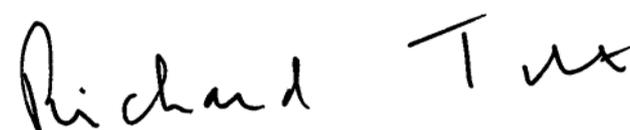
DATED: 7th January 2009

A handwritten signature in black ink, appearing to read "Dave Hartnett", written over a horizontal dotted line.

DAVE HARTNETT

HM REVENUE & CUSTOMS

DATED: 7th January 2009

A handwritten signature in black ink, appearing to read "Richard Tilt", written over a horizontal dotted line.

SIR RICHARD TILT

CHAIRMAN OF THE SOCIAL SECURITY ADVISORY COMMITTEE

DATED: 7th January 2009