

DWP / SSAC FRAMEWORK DOCUMENT

1 *Purpose of the SSAC*

1.1 The Social Security Advisory Committee is an independent statutory body of the Department for Work and Pensions, operating at arm's length. Originally established by Parliament in the Social Security Act 1980, the current legislation governing the Committee is set out in sections 170 and 172 to 174 of, and Schedule 5 and Part 1 of Schedule 7 to, the Social Security Administration Act 1992.

1.2 That legislation provides that SSAC shall:

- give advice and assistance to the Secretary of State for Work and Pensions (and the Department for Communities in Northern Ireland) in connection with the discharge of his functions concerning most Department for Work and Pensions (DWP) benefits and related matters (e.g. links with the labour market and wider social welfare issues). This can be at the request of the Secretary of State or on the Committee's own initiative; and
- consider and report on proposals, for regulations, referred to it by the Secretary of State. All such proposals must be so referred, unless exempted by statute, or the Committee decides that a formal reference is unnecessary.

1.3 The Committee's role is to provide independent, expert, impartial, well-informed and timely advice to the Secretary of State and, by extension, to Parliament and the wider public, on social security welfare issues. The Committee responds to the Department's public consultation exercises, and is also consulted separately by Ministers seeking views on specific issues. The Committee may, of its own volition, select issues to research and report upon. The Chairman and / or the Committee meet regularly with Ministers and senior officials to discuss current or emerging issues. Members also meet front-line staff and customers in the course of their visits to operational sites.

1.4 The Committee also performs a number of non-statutory confidential advisory functions in relation to Her Majesty's Revenue and Customs.

2 *Governance and accountability*

Overall aims

2.1 The primary aims of the Social Security Advisory Committee's (SSAC) are to deliver its legislative remit by:

- undertaking impartial, effective and timely scrutiny of draft regulations relating to social security benefits; and
- providing impartial, well-informed and constructive advice to the Secretary of State on issues relating to social security and welfare reform.

2.2 The Committee's statutory role takes priority over any other activity it undertakes.

Ministerial responsibility

2.3 The Secretary of State will make available such funds as necessary to enable the Committee to undertake its duties and responsibilities, and is accountable to Parliament for the Committee's stewardship of public funds.

2.4 The Secretary of State will designate a senior official (supported by a partnership team) who will be responsible for:

- providing a single point of contact for communication from within the Department to SSAC and vice versa, on matters concerning the functioning of the Committee;
- promoting an open and transparent working relationship with SSAC, sharing information on matters which may impact the body;
- annually appraising the performance of SSAC chair who should provide assurance that performance appraisals are carried annually out on Committee members;
- ensuring that a framework for the strategic performance management of SSAC is in place, and ensuring that the Committee has in place a Framework Agreement, Annual Business Plan and Memoranda of Understanding where appropriate;
- in partnership with the Committee, developing and advising Ministers on the role and functions of SSAC;
- monitoring progress and delivery of SSAC business plan, but recognising that there is a balance between the need for SSAC to account to the Department and for it to be empowered to deliver its business objectives;
- dealing with Ministerial correspondence, briefings and Parliamentary Questions, and Freedom of Information requests, in respect of SSAC, when appropriate. Ensuring that SSAC has an opportunity to comment on drafts in all cases;
- scheduling of, and arranging, the tailored review of SSAC in consultation with the DWP Arm's Length Body Partnership Team. SSAC will be fully consulted throughout the review process;
- advising the Chair on Ministerial priorities, directions and concerns in which SSAC has a legitimate interest, and advising the Department on how to ensure any SSAC concerns are registered appropriately in the Department;

- managing the recruitment and appointment of Committee members, liaising with the SSAC chair to confirm that he is satisfied the Committee has a balance of skills appropriate to directing SSAC's business as set out in the Government Code of Good Practice for Corporate Governance, and adhering to all the processes required by the Office of the Commissioner for Public Appointments
- acting as the link between the Department and Parliament in relation to scrutiny of SSAC – including Select Committee pre-appointment hearings (where appropriate) for new senior appointments.

3 *Contact and engagement: principles*

3.1 The Department will respect the operational independence of SSAC and its independent statutory status.

3.2 The Department and SSAC should regard each other as trusted partners and there will be a presumption in favour of openness and transparency on both sides as set out in the *Partnerships between Departments and ALBs: Code of Good Practice*. Both partners will also commit to keeping each other informed of any significant issues and concerns. Any exceptions to this by either party should be fully justified.

3.3 SSAC should report on a half yearly basis to the Department on its business and financial performance. Risks should be managed - where appropriate in partnership with the Department - and escalated where deemed necessary.

3.4 Any requests for information from the Department on the Committee's business, for example in relation to PQs, should be dealt with within appropriate timescales. The Department will explain why the information is required in all such cases.

3.5 Similarly, to ensure SSAC is able to plan its business and resources effectively, the Department should:

- provide early notice of regulations, guidance and other products requiring Committee scrutiny,
- consider sharing with SSAC on a confidential basis more information about future policy direction so that SSAC decisions on the content of the Independent Work Programme can take this into account;¹
- consider more regularly whether there are specific matters in relation to which it would benefit from SSAC advice. ¹

3.6 The Department will act appropriately on concerns and issues that have been identified by SSAC, and will gain assurance:

¹ Recommendations in the 2015 Triennial Review of SSAC which the Department has accepted

- about the overall efficiency and effectiveness of SSAC but not about detailed financial planning, except where Government fiscal policy requires otherwise;
- regarding the robustness of the framework within which individual decisions are taken by the Committee, but not about individual decisions taken within that framework;
- about any matters for which the Department retains overall responsibility, including information security.

3.7 The Committee's functions will involve regular and routine contact with the Department's policy officials. In addition regular keep-in-touch meetings will take place between:

- The Secretary of State and the SSAC Chair (at least annually)
- DWP's sponsor Minister and the SSAC Chair (3-4 meetings per year)
- DWP's partnership team and SSAC Secretary (at least quarterly)

3.8 In the event of disagreement between the Department and SSAC about the application of these principles, resolution should be sought in the first instance between the Deputy Director of the Arm's Length Body Partnership Team (DWP) and the Committee Secretary (SSAC). If resolution cannot be reached at that level, and the matter is significant, the matter will be referred to the Senior Partner (Director General) and Committee Chair. In exceptional cases, where resolution cannot be reached, either the Chair or the Senior Partner may seek the input of the sponsor Minister.

4 *Financial and management responsibilities*

Financial responsibilities

4.1 The Principal Accounting Officer (PAO) of the Department is accountable to Parliament for the issue of any funding allocation to SSAC. The PAO will be responsible for:

- ensuring that the Committee is sufficiently resourced to undertake its statutory role effectively, consulting the Committee ahead of the budget planning and spending review discussions to ensure it understands its requirements for discharging its functions effectively, and will keep the Committee informed of developments throughout this process;
- providing a timely report of monthly expenditure so that SSAC can manage its financial performance effectively;
- periodically carry out an assessment of the risks both to the Department and SSAC's objectives and activities;

- address significant problems in SSAC, making such interventions as are judged necessary and appropriate in light of the Committee's independent status;
- inform SSAC of relevant Government policy in a timely manner.

4.2 The SSAC Chair will have delegated accounting responsibilities and is personally responsible for safeguarding the public funds for which he or she has charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of SSAC. In addition, he or she should ensure that SSAC as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management that are set out in Box 3.1 of *Managing Public Money*. Specifically the Chair will be required to:

- ensure that SSAC is achieving its strategic objectives and delivering value for money;
- take all necessary financial considerations into account when reaching decisions on spending;
- ensure that effective procedures for handling complaints about SSAC are established and made widely known to SSAC members and the Committee's secretariat;
- act in accordance with the terms of this document, *Managing Public Money* and other instructions and guidance issued from time to time by the Department, the Treasury and the Cabinet Office;
- ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control.
- ensure that any statutory or administrative requirements for the use of public funds are complied with; that the committee operates within the limits of its statutory authority and any delegated authority agreed with the department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, SSAC takes into account guidance issued by the sponsor department.

4.3 Once the budget has been approved by the Department, SSAC shall have authority to incur expenditure approved in the budget without further reference to DWP, on the following conditions:

- SSAC shall comply with the delegations set out in Appendix 1. These delegations shall not be altered without the prior agreement of DWP;
- SSAC shall comply with *Managing Public Money* regarding novel, contentious or repercussive proposals;
- inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed;

- SSAC shall provide the Department with such information about its operations, performance individual projects or other expenditure as the Department may reasonably require.

Management responsibilities

4.4 In addition, the Chair has the following leadership responsibilities:

- formulating the Committee's business plan and annual report
- promoting the efficient and effective use of staff and other resources;
- delivering high standards of regularity and propriety; and
- communicating the views of the Committee to the general public.

4.5 The Chair also has an obligation to ensure that:

- the work of the Committee and its members are reviewed and are working effectively;
- committee members are fully briefed on terms of appointment, duties, rights and responsibilities; and
- he or she assesses the performance of individual Committee members annually, and when being considered for reappointment.

Individual committee members' responsibilities

4.6 Individual Committee members should:

- comply at all times with the *Code of Conduct for Board Members of Public Bodies* and with the rules relating to the use of public funds and to conflicts of interest;
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- comply with the Department's rules on the acceptance of gifts and hospitality, and of business appointments; and
- act in good faith and in the best interests of the Committee.

5 Staff

5.1 The SSAC chair and committee members are appointed for a period of three to five years by the Department's sponsor Minister.² Such appointments will comply with the

² The SSAC Chair is subject to pre-appointment scrutiny by the Work and Pensions Select Committee

Commissioner for Public Appointments *Code of Practice for Ministerial Appointments to Public Bodies*.

5.2 The composition, as set out in legislation, shall comprise between 10-13 members in addition to the Chair. The membership shall include:

Reserved posts by statute

- one member to represent the interests of employers;
- one member to represent the interests of workers;
- one member to represent the interests of Northern Ireland;
- one member with experience of work among, and the needs of, the chronically sick and disabled.

Reserved posts by custom and practice

- one member to represent the interests of Scotland;
- one member to represent the interests of Wales;
- one member to represent the interests of BAME groups.

SSAC secretariat

5.3 SSAC will be supported by a Committee secretariat comprising staff on loan from DWP (with the possibility of loans or secondments from other Government Departments).

5.4 Loan agreements will be offered for a period of up to three years; at which point loans may be extended with the agreement of the Chair and relevant Department. The loan agreements for Secretariat staff will be signed by the SSAC Secretary and Partner. These agreements will be reviewed annually by the SSAC Chair, Secretary and post-holder as part of the annual performance management system. The secretariat will be subject to DWP terms and conditions of service including pay arrangements.

5.5 Staff management policies and procedures will reflect those of the Department, and DWP HR business partners will provide the SSAC secretariat with advice when requested.

5.6 The SSAC Chair will be responsible for the line management of the Secretary, and the Secretary will be responsible for management of the wider secretariat team. The Secretary will be responsible for informing and engaging with the partnership team as and when required, including updating the -partnership team of any changes to personnel.

5.7 SSAC and its secretariat will have responsibility for identifying and meeting training requirements. SSAC and its secretariat will have access to DWP Training and Development facilities.

6 *Review of SSAC's status*

6.1 The Committee will be reviewed every 5 years. The next review will be in 2019.