

SOCIAL SECURITY
ADVISORY COMMITTEE

Social Security Advisory Committee
Annual Report 2015-16

Social Security Advisory Committee

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Chair's Review



The current Conservative Government was elected in May 2015 on a manifesto which included a commitment to reduce the welfare budget (which - for DWP alone - was in the region of £173 billion in 2015-16) by £12 billion. Much of that commitment was sent for approval by Parliament during the passage of the primary legislation in the Welfare Reform and Work Bill, for

example through:

- a reduction in the level of the benefit cap at £23,000 a year for claimants living within Greater London and a new lower rate of £20,000 a year for claimants living elsewhere;
- the freezing of certain benefits for four years;
- the replacement of benefit support for certain claimants with mortgages to repay with a system of loans; and
- a requirement for social housing providers to reduce rent levels by one per cent each year for four years.

On the basis that primary legislation was to be debated in some detail in Parliament, the Government was not required to bring the majority of these provisions to SSAC. Consequently, the amount of secondary legislation presented to us in the first few months of the reporting year was lighter than usual.

By contrast from September onwards a number of sets of regulations were presented to us for scrutiny – most with their origins in the Chancellor of the Exchequer's Budget proposals for reducing benefit expenditure. Later in this report, we discuss some of the specific proposals, including the tax credit regulations which were subsequently withdrawn. However I would highlight a more general observation about our experience of the policy development process. The Committee has observed that legislation required to deliver policies announced by the Chancellor during his Budget or autumn statements is often developed at pace to meet challenging deadlines set by HM Treasury. This has regularly resulted in secondary legislation being presented to us without meaningful analysis of impact or interactions with other parts of the benefit system. The absence of evidence underpinning some of the Government's policy choices has been a significant concern to us over the past year, and we hope that the Government will adjust this aspect of its approach to policy-making in the coming year.

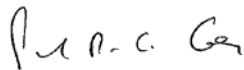
Turning to our Independent Work Programme, we were set a challenge by the [2015 triennial review of SSAC](#) to review the impact of our reports. In this reporting year we therefore explored the progress made by DWP and HMRC following earlier SSAC reports (in 2007 and 2009) on the costs and practices relating to telephony in both departments. We also launched a review of decision-making in the benefit system, focusing in particular on the impact of mandatory reconsideration – the recent appeals reform designed to resolve

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disputes earlier thereby reducing demand on the appeals service. Both reports were published in July 2016.

The advice we provide to Ministers covers a wide range of issues – and we simply could not do our role as well without the input of others. I would therefore like to acknowledge the support of our stakeholders who provide evidence and views which inform and enrich our advice – both on draft regulations and as part of our Independent Work Programme. I am also grateful to officials from the Department for Work and Pensions and HM Revenue and Customs for their role in ensuring that we can discharge our statutory functions effectively.

Finally, I would like to say thank you to my Committee colleagues and our Secretariat for their invaluable support and hard work. In particular, I should pay tribute to the expertise of John Andrews; Adele Baumgardt; John Ditch; Matthew Oakley and Nicola Smith – all of whom are leaving us having come to the end of their terms. All can take great pride in their contributions to our work, and I wish them well in their future endeavours.



Paul Gray

About Us

Established by the Social Security Act in 1980, the Social Security Advisory Committee is an independent statutory body that provides advice on social security and related matters.

The Committee's main responsibilities are to:

- perform a mandatory scrutiny of most of the proposed regulations that underpin the social welfare system on behalf both of the Secretary of State for Work and Pensions and of Parliament; and to
- provide advice and assistance to the Secretary of State, whether in response to a specific request or on the Committee's own initiative.

Advice offered formally by the Committee in relation to proposals for legislation must be published by the Secretary of State for Work and Pensions, along with the Government's response to our conclusions and recommendations. There is no obligation upon the Secretary of State to respond to other forms of advice from the Committee, or to act upon any of the advice we offer.

In addition to the scrutiny of proposals for legislation, the Committee has general advisory functions. For example, where resources permit, we:

- informally scrutinise regulations that are exempt from our statutory scrutiny;
- respond to public consultation exercises conducted by Government¹ and others where we believe that we can add value;
- respond to specific requests for advice from Ministers and officials;
- undertake our own detailed studies as part of the Committee's Independent Work Programme;
- provide comment on a range of draft guidance and communications produced by both the Department for Work and Pensions (DWP) and HM Revenue and Customs (HMRC).

The Committee performs a similar role for the Department for Communities in Northern Ireland. (formerly the Department for Social Development)

The Committee also has a non-statutory role offering advice to Treasury Ministers and HMRC on Tax Credits, National Insurance, Child Benefit and Guardian's Allowance.

¹ In this report, where we refer to Government we mean the UK Government (and specifically the Department for Work and Pensions or HM Revenue and Customs). Separate references to the devolved Governments are also made.

Summary of our advisory role in 2015-16

Secondary legislation

Sets of regulations coming before SSAC ²	29
Instances where SSAC required formal reference ³	2
Of the cases where formal reference was not required, the number considered by correspondence ⁴	8
Cases considered under the Memorandum of Understanding with HMRC	4
Cases considered where 'urgency' had been invoked ⁵	1
Northern Ireland ⁶ cases	1

Occasional papers published as part of our Independent Work Programme

Localisation and social security ⁷	
Universal Credit: priorities for action ⁸	3
Bereavement benefit reform ⁹	

² A full list of draft regulations seen by the Committee can be found at annex 1.

³ The Universal Credit (Waiting Days) (Amendment) Regulations 2015; and The Housing Benefit and State Pension Credit (Temporary Absence) (Amendment) Regulations 2016.

⁴ Where draft proposals are straightforward and non-contentious, or of a minor and technical nature, the Committee may consider regulations by correspondence.

⁵ Where regulations need to be laid urgently, the Secretary of State may make the regulations without first submitting a draft to the Committee, although they will remain subject to the scrutiny of the Committee after they have been laid.

⁶ Northern Ireland cases which parallel provisions in regulations made by the Secretary of State or the Lord Chancellor in relation to GB do not require prior submission to SSAC.

⁷ [SSAC Occasional Paper 14: Localisation and social security](#)

⁸ [SSAC Occasional Paper 15: Universal Credit: priorities for action](#)

Our advice to the Secretary of State

The 2015 General Election inevitably influenced the flow of regulations from the Government in the early part of the reporting period. It meant that we were presented with just two sets of draft DWP proposals for scrutiny in the five months spanning April to August 2015. Instead we focused our attention on an area where we considered we might provide most value to either a new or returning Secretary of State – Universal Credit.

Universal Credit

The Minister for Welfare Reform invited the Committee to scrutinise the initial secondary legislation introducing Universal Credit – which would otherwise have been exempt from SSAC scrutiny – back in 2012. In particular Ministers were keen for our advice on any unintended consequences in the legislation or gaps where provision may have been overlooked. We have since scrutinised and provided advice on over 30 different sets of secondary legislation involving Universal Credit.

The Committee took the view that an early priority for a new Secretary of State post-election might be to ‘kick the tyres’ of the Universal Credit programme and consider whether the existing plans were sufficiently robust. This was especially important as roll-out of Universal Credit was about to extend to more complex cases, for example, unstable family arrangements and instances of irregular self-employed earnings. We therefore set about reviewing the earlier advice that we - and others - had previously provided to government. We also considered the degree to which it had responded to that advice, and assessed what risks remained. The Committee concluded in its 2015 occasional paper, *Universal Credit: Priorities for Action*¹⁰ that the following action needed to be taken:

- a co-ordinated plan of action on the passporting of benefits to be developed jointly by Government Departments, local authorities and service providers;
- a specialist working group to be established to provide advice and direction as to how the self-employed can best be served under Universal Credit;
- a more transparent approach on in-work conditionality to be adopted to accommodate individual circumstances through an insightful and sympathetic understanding of them;
- an urgent review of the operation of the sanctions regime, ensuring that existing rules are thoroughly evaluated and greater testing with incentives rather than penalties to be explored;

⁹ [SSAC Occasional Paper 16: Bereavement benefit reform](#)

¹⁰ [Government response](#) to SSAC Occasional paper 15: Universal Credit: priorities for action

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- a review of the treatment of second earnings and the effect upon work incentives to be undertaken;
- a genuinely responsive and transparent approach to be implemented in applying the results of evaluation as they begin to filter through;
- the challenges involved in the migration of tax credits into Universal Credit to be carefully considered; and
- a continued commitment to address the risks to which some claimants will be subject.

The Committee continues to keep these issues under close review.

Housing Benefit

Housing Benefit (HB) also featured significantly in our deliberations this year. HB for working age people will eventually be absorbed within Universal Credit (UC). In the meantime however on-going developments in HB have continued to command our attention - not least because the incoming Government identified HB as being an area in which it could derive significant savings to help meet its commitment to reduce the welfare budget by £12bn.

Three sets of regulations, each carrying the potential for having an impact on significant numbers of claimants, have been prominent in the midst of our deliberations. We deal with them in turn below.

The Housing Benefit (Abolition of the Family Premium and date of claim) Amendment Regulations 2015 (SI 2015 No. 1857)

As the title implies, the two key measures contained in these provisions are:

- the abolition of the extra amount of £17.45 a week for those with children (the family premium) for all new claims for HB; and
- the reduction in the period in respect of which a successful late claim can be made (one month as opposed to six months).

Following its initial scrutiny of the draft regulations in September the Committee concluded that - given the limited analysis presented on their likely impact and the limited evidence of effective consultation with local authorities and other stakeholders - it wished to consider these issues more fully and therefore took the regulations on formal reference.

As the Committee already had a clear view of the issues it wanted to explore further, and mindful of the Government's aim to introduce the draft regulations quickly, the Committee decided that on this occasion it would not be necessary to undertake a full public consultation to help inform this process. Instead we convened a workshop attended by representatives of organisations and charitable bodies which have a particular knowledge of this area.

Following our further examination of the proposals we reached the following conclusions.

With the abolition of the family premium we came to the view that those most at risk from the amended legislation would be those who would normally have expected to have benefitted from a linking rule. It has been the case for DWP and its predecessors to mitigate a potential adverse impact upon someone needing to make a repeat claim for benefit through such a rule. Eight weeks is commonly the prescribed period. Had it been included here it would have meant that any claimant whose award of HB included the family premium would not have lost that entitlement upon needing to re-claim HB unless the gap between awards exceeded eight weeks. On this occasion however no such rule was offered.

The absence of a linking rule could create a perverse incentive not to take temporary employment or a more permanent job but where there is a fear that it may not work out. Additionally the absence of a linking rule impacts those who need to make a repeat and immediate claim in a different local authority area when, for example, claimants seeking to avoid the effect of the benefit cap move to a different area or those forced to move because of domestic violence or because of changed circumstances following bereavement. We therefore recommended that the proposals should contain a linking rule.

The Government did not accept our recommendation stating that *“since 2010 our policy has been to move away from building new linking rules into our reforms to Housing Benefit.”* Instead the use of Discretionary Housing payments (DHPs) has been the Government’s preferred option and the response drew attention to the Chancellor’s announcement of an additional £800m new funding to be made available to local authorities across the present Parliament to support on-going and new reforms to HB. The Government response made clear: *“We remain of the view that building linking rules into Housing Benefit for this measure isn’t the most appropriate way of supporting vulnerable cases affected by this change.”*

On the second aspect of the proposals, the Committee felt that reducing the maximum period of backdating of a claim for HB from six months to one month was too severe. We recommended instead that a three month period would strike a better balance between the aim of securing expenditure savings whilst recognising the substantial differences between the nature of HB, a benefit for payment of rent and a benefit like UC which provides for broader personal and family income needs.

The Government also rejected this second recommendation stating *“We remain of the view that the arguments are not compelling for retaining an additional two, or five month period during which entitlement to support for housing costs can be backdated for an increasing minority of new claims to benefit.”*

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The Housing Benefit (Executive Determinations) (Amendment No.2) Regulations (Northern Ireland) Regulations 2016 (SR 2016 No. 6)

The circumstances in which we considered these regulations were unusual, although not unique. In presenting the proposals in December 2015 the Department for Social Development¹¹ (DSD) invoked the urgency provisions to ensure they came into force on the required date. Instances where draft regulations put forward by DSD in Northern Ireland simply mirror the legislation already scrutinised and accepted by SSAC in fulfilment of its obligations in relation to proposals for Great Britain, do not need to come to the Committee.¹² On this occasion however we had not been presented with the parallel GB regulations, although the Department had earlier alerted us to its contents.

We were therefore aware that, in fulfilment of a commitment made by the Chancellor in his budget statement of July 2015, Local Housing Allowance rates were to be frozen for four years from April 2016. That proposal was introduced in the Rent Officers (Housing Benefit and Universal Credit Functions) (Local Housing Allowance Amendments) Order 2015.¹³ Because it was an Order in Council and not made under powers contained in a relevant enactment,¹⁴ it was exempt from formal reference to the Committee. That meant that it was only when the Northern Ireland legislation was presented to us that we had the chance to examine the proposals in detail.

The Committee decided not to seek formal reference of the legislation but wrote to Lord Morrow (the then Social Development Minister, at the Department for Social Development, Northern Ireland) about its concerns about the adequacy of the accompanying data and whether it was sufficient to enable an accurate impact assessment to be made, particularly in the light of specific characteristics of the rented sector in Northern Ireland. At the same time the Chair wrote to Lord Freud (DWP's Minister for Welfare Reform) to request that, should a similar scenario occur again, officials dealing with the GB legislation should be encouraged to present the Department's detailed proposals to the Committee for informal scrutiny.

The Housing Benefit and State Pension Credit (Temporary Absence) (Amendment) Regulations 2016 (SR 2016 No. 6)

In January 2016 we considered proposals to redefine 'temporary absence from Great Britain' for the purposes of determining whether or not continuing entitlement to HB and to State Pension Credit could be allowed during such absences. In summary the measure meant that the existing 13 week definition would be reduced to four weeks. The lack of meaningful data accompanying the proposals, allied with the Government's failure to conduct any public consultation before announcing the policy change, was a determining factor in our decision to require the formal reference of the proposals. The Committee took the view that

¹¹ Now the Department for Communities

¹² Paragraph 10 of Schedule 5 to the Social Security Administration (Northern Ireland) Act 1992 c.8 (Regulations not requiring prior submission to Social Security Advisory Committee)

¹³ SI 2015 No 1753.

¹⁴ Section 170(4) of the Social Security Administration Act 1992 c.5.

it would be important to establish what evidence was available about the people likely to be impacted and their circumstances. Accordingly we undertook a 4 week public consultation during the period 1-29 February.

In our report we drew the Government's attention to a number of areas where we felt there was an inconsistency of approach. Some occupations were singled out for special beneficial treatment, but there did not seem to be a clear coherent strategy affecting overseas workers in general. It seemed to us that these new rules could deter some people from taking work overseas. We also drew attention to situations where somebody could be outside GB, caring for a gravely ill relative for instance, but because of circumstances not wholly within their control, not find it easy to return within four weeks. We took the view that the loss of HB for an extended period in what could be fairly arbitrary circumstances merited the insertion of a good cause provision. We therefore recommended this for the Government's consideration. At the same time we suggested that an eight week period of temporary absence – rather than the four weeks proposed - might avoid most of the issues we had identified.

The Government declined to accept either of these recommendations, although added exemptions for victims of domestic violence and members of Her Majesty's Forces who are posted overseas on the strength of our report. Our recommendation about evaluating the changes was also accepted.

Tax Credits

In September 2015 the Committee considered the Tax Credits (Income Thresholds and Determination of Rates) (Amendment) Regulations 2015 under the terms of our Memorandum of Understanding with HMRC. The proposals consisted of a number of proposed changes to various income and earnings rules within working tax credits: lowering the level at which working tax credit starts to be withdrawn from £6,420 to £3,850; increasing the taper rate at which tax credits are withdrawn from 41 per cent to 48 per cent, and reducing the annual income disregard from £5,000 to £2,500. The level at which child tax credit would begin to be taken away was also to be lowered from £16,105 to £12,125. The cumulative effect of these proposals was likely to have had a significant impact upon considerable numbers of tax credit claimants and yet there was a lack of any information about that impact. The Committee's [Chair wrote to the Financial Secretary to the Treasury](#) emphasising that the Committee considered that the absence of any information about the likely impact upon tax credit claimants and their families, including those with protected characteristics, hampered us in our role of conducting an adequate scrutiny of the draft regulations. He also said that, given that these draft regulations were affirmative and therefore subject to debate in both Houses:

“...we would expect Parliament to want more detailed information that clearly explains the changes and potential impacts to ensure that they can be subject to effective scrutiny. We would encourage you to take steps to make that material available for that purpose.”

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By the time the House of Lords came to debate the regulations on 26 October the Government had published an impact assessment, but nonetheless the Government suffered a defeat on two motions: the first on a vote to give “full transitional protection” from the cuts for at least three years for those already in receipt of tax credits; and the second on a vote calling for a delay in the introduction of the measure. The Chancellor of the Exchequer subsequently announced in his [autumn statement](#) on 25 November 2015 that:

I've had representations that these changes to tax credits should be phased in. I've listened to the concerns. I hear and understand them. And because I've been able to announce today an improvement in the public finances, the simplest thing to do is not to phase these changes in, but to avoid them altogether.

Scottish Devolution

While we have a clear statutory role in terms of providing advice to the relevant Northern Ireland Ministers on social security issues, the Scotland Act 2016 has effectively ruled out a role for SSAC in the scrutiny of those aspects of the social security system that have been devolved to the Scottish Government.¹⁵ Nonetheless the Committee continues to keep under close review the inevitable complex interactions between current GB and evolving devolved arrangements – both in legislative and operational terms – in Scotland, Wales and Northern Ireland.

The first two sets of draft regulations where such an interaction became apparent were presented to us in December 2015. The need for adjustments in DWP legislation arose in anticipation of the introduction, by the Scottish Government, of a new single Scottish rate of income tax.¹⁶ We were subsequently to learn that the Scottish Parliament would decline to set a different rate of income tax for Scottish taxpayers for the financial year beginning April 2016, but the changes were still required in the event that this would change in future. DWP officials presenting the proposals to us appeared to regard the Department's role as simply to accommodate the Scottish Government's decision on Income Tax rates within GB legislation. The Committee took a different view, and encouraged the Department to proactively work with the Scottish Government to explore the more subtle consequences of having different rates.

With Scotland set to have greater devolved powers, we feel that effective engagement between the two administrations will be vital to avoid unintended impacts on claimants and their families on either side of the border.

¹⁵ The relevant Commencement Order states: *The effect of this section is that the Social Security Advisory Committee (SSAC) ... will only advise the Secretary of State and not Scottish Ministers. SSAC ... cannot give advice to Scottish Ministers on those benefits for which the Scottish Parliament have legislative competence. Scottish Ministers will not be able to refer draft regulations to SSAC ... for consideration or refer questions relating to relevant social security enactments*

¹⁶ Under powers conferred on the Scottish Parliament under the Scotland Act 2012 (following recommendations of the Calman Commission).

Bereavement

Given the inevitable focus on major welfare reforms such as Universal Credit and the Personal Independence Payment, we considered it important to ensure that other recent and significant changes to the benefits system were not overlooked.

In 2017, the Government will oversee a major reform to bereavement benefits by introducing the Bereavement Support Payment. The Committee welcomes most aspects of this change, including the commitment to enhanced simplicity and the extension of bereavement payments to younger people. We note, however, that some concerns have been expressed about certain aspects of the proposals and that Social Fund Funeral Payments are not affected by this reform.

It was against this background that we considered it timely to examine the effectiveness and coherence of the support available for bereaved people following the introduction of the Bereavement Support Payment.

Our report, published in November 2015, made a number of recommendations for strengthening the provision of integrated support to bereaved families. These included:

- **the provision of more integrated support to bereaved families.** For example Tell Us Once, the Bereavement Service, bereavement benefits, Social Fund Funeral Payments, Public Health Funerals and other sources of support should work better together as an integrated system to support bereaved people.
- **providing a greater degree of certainty to claimants** about their eligibility and the potential size of an award to Funeral Payments before they are required to commit to funeral costs.
- **improving awareness and take-up of benefits** by informing bereaved people more systematically of their access to Bereavement Support Payment: for example by closer working with local registrars.
- **extend the period for which bereaved parents receive Bereavement Support Payment (currently set at one year)**, even if this means a reduction in the value of payments to avoid an additional burden on the public purse, in recognition of the fact that the impact of bereavement on families may last for two or three years.
- **extend eligibility to Bereavement Support Payments beyond married couples or those in a Civil Partnership** to recognise the impact of bereavement on a broader range of “partner” and ensure consistency with other areas of the benefit system. We recognise that this would bring additional costs and the Government will need to give careful consideration to its affordability when balanced against other priorities, but nonetheless it should be an ambition over the longer-term.

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We were pleased to note that the Work and Pensions Committee subsequently decided to explore this topic in more detail and we were invited to provide [evidence on 13 January 2016](#).

We remain disappointed by the Government's response, especially in terms of the treatment of unmarried couples. This approach creates an inconsistency with other benefits, including Universal Credit – and is simply unfair to someone who has lived with – and possibly raised children with – a longstanding partner. We, of course, recognise there are additional costs involved, but hope the Government will reflect further on what more can be done to deliver fairness in such circumstances.

External engagement

The Committee considers it important to develop and maintain strong links with a broad range of stakeholders, as their expertise and experience help ensure that the Committee's advice to Government is well-informed and reflects all perspectives.

The Committee seeks to achieve this through a variety of engagement approaches with its stakeholders, as detailed below.

Engaging with our stakeholders

The Committee particularly values the opportunity to bring together policy-makers, think tanks, local authorities, employers, the voluntary sector and academia at its two stakeholder events each year (one in London, and the other elsewhere in the UK). In 2015-16, these stakeholder events were held in:

- **Central London (21 May 2015):** this event provided an opportunity for delegates to consider the outlook for the benefit system in the light of the outcome of the General Election; and for the Committee to gather evidence for its project on [Universal Credit: priorities for action](#) which was published in July 2015; and
- **Edinburgh (5 November 2015):** this event enabled the Committee to hear at first hand about the impact of the Government's welfare reform on Scotland, and the Committee also gathered evidence on [decision-making](#) in the benefit system that helped shape our final advice which was submitted to Ministers in July 2016.

The Committee has additionally brought together smaller groups of stakeholders with particular expertise and experience relevant to specific pieces of work, for example a range of local authority representatives and other practitioners to ensure that we had a strong understanding of the impact of the abolition of the family premium in Housing Benefit.

We also communicate regularly about our work with our stakeholders via email, our [website](#) and our Twitter account ([@The_SSAC](#)).

Our stakeholder list is kept under regular review to ensure that it is up to date and that it represents a broad range of views to ensure that our advice to Ministers remains balanced and takes account of all perspectives – including that of the taxpayer.

Visits

The Committee is keen to undertake visits to operational sites around the country to ensure that it has a good understanding of issues that are likely to flow from new policy initiatives and, with that in mind, undertakes a varied programme of visits.

For the majority of social security benefits, our secondary legislation scrutiny role operates across the UK, with a duty to advise the Secretary of State on a GB basis, and a parallel duty to advise the Department for Communities in Northern Ireland. The Committee therefore considers it important to undertake regular extended visits to Northern Ireland, Scotland and Wales to ensure that it has a good understanding of the differences, challenges and opportunities within each nation.

The Committee's visit to Northern Ireland between 8-10 February 2016 was particularly timely, since the Mitigations Working Group, led by Professor Eileen Evason had recently published its [report](#) on how Welfare Reform should be mitigated by the NI Executive. We were fortunate enough to have an opportunity to discuss the report with Professor Evason direct, as well as the potential implications with Lord Morrow and the Department for Social Development.¹⁷

During the Committee's two day visit to Belfast, we met a wide range of stakeholders who provided interesting and compelling accounts of the key issues arising from a wide range of aspects of the welfare reform agenda in Northern Ireland. These included: the Social Security Agency, Northern Ireland Assembly's Social Development Committee, the Social Security Commissioner, East Belfast Independent Advice Centre and the Law Centre NI. We also met operational staff at the Employment and Support Allowance Centre and the Disability and Carers Centre

This, and every visit other visit undertaken by Committee members, has been invaluable to the Committee and we are grateful to everyone who has been involved arranging them.

¹⁷ Now the Department for Communities.

Ministerial meetings

Our primary role is to provide advice to the Secretary of State, therefore a constructive relationship with the Ministerial team is important. While the Committee and Government will not always see eye to eye on issues relating to social security, it is our experience that the DWP Ministerial team is respectful of the Committee and considers carefully the advice we provide, even where our recommendations are not accepted. By the same token, the Committee endeavours to ensure that the challenges being faced by the Government – for example the need to ensure that limited financial resources are used to best effect – are acknowledged in the advice we provide.

The Committee is especially grateful for the support of our sponsor Minister, Lord Freud, who met the Committee and its Chair regularly throughout the year. We were also pleased that the Committee had opportunities to discuss its work with the Secretary of State during the year.¹⁸

Committee development

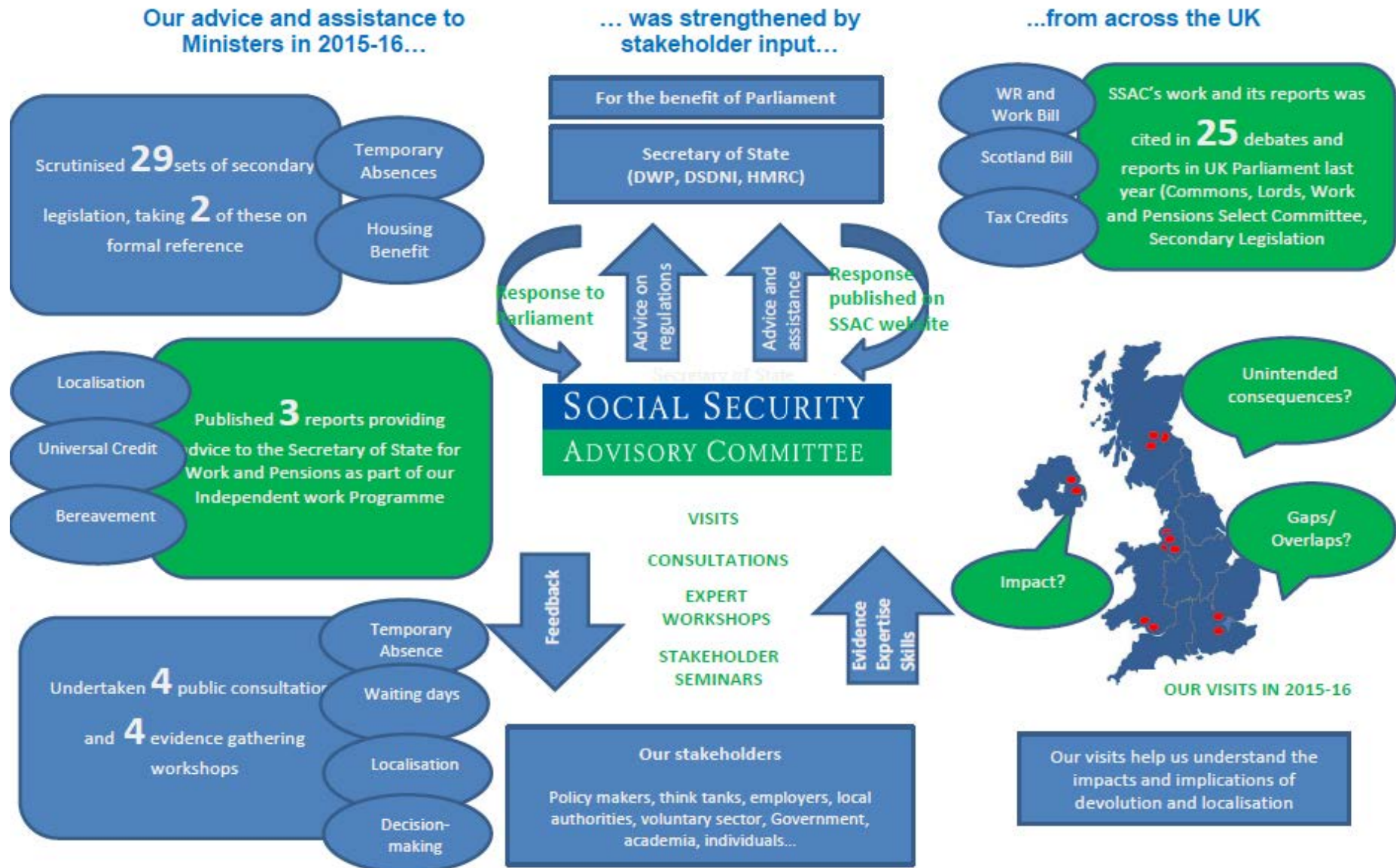
The Committee reviews its performance at least annually to ensure that it is operating optimally within the resources available to it. For example, in May we spent time reviewing the way that we operate, identifying areas that could be further strengthened – in terms of organisation, processes and behaviours.

We also regularly seek feedback from individuals and organisations with whom we engage on a regular basis. For example we invite:

- our DWP stewardship team to undertake a 360 degree feedback exercise with key colleagues in DWP, HMRC and other relevant departments (including devolved administrations) so that we can identify and act on lessons learned. These are reviewed and discussed as part of Paul Gray's annual appraisal with the Department;
- officials to complete (anonymously) a survey after each meeting they attend so that we get a clear view of how the experience was for them and whether there are any practical ways we can ensure the scrutiny process is as smooth as possible for them; and
- our stakeholders to complete feedback forms after each stakeholder seminar we hold – this seeks to elicit comment on the Committee's wider communications approach as well as on the event they have attended.

We also seek to ensure that our knowledge of relevant policies, and the delivery of them, remains as up-to-date as possible by arranging presentations from officials and visits to operational sites.

¹⁸ on 6 November 2015 (a bi-lateral meeting between the Rt Hon Iain Duncan Smith and Paul Gray) and 27 January 2016 (the Secretary of State attended a meeting with the full Committee)



Our financial resources

The Committee's full time secretariat team account for the majority of our expenditure. We fund 3.6 (FTE) staff who are on loan from DWP.

Committee members are paid a fee at a daily rate of £256.80. Reimbursement of reasonable business expenses relating to travel and subsistence are also payable in accordance with DWP's policy.¹⁹

The majority of our expenditure was used to meet the following costs:

Secretariat costs	£210,000
Committee members' fees²⁰	£73,000
Expenses (travel / subsistence)²¹	£39,000

¹⁹ A breakdown of the fees and expenses claimed by members can be found at annex 7.

²⁰ This includes the Chair's annual fees which are £22,000.

²¹ This descriptor includes expenses relating both to Committee members and to the secretariat. It also includes tax liabilities that arise on Members' travel expenses.

Annex 1: Regulations scrutinised by the Committee (1 April 2015 to 31 March 2016)

This annex provides a comprehensive list of the regulations presented to the Committee in 2015-16. The following sets of regulations were scrutinised at one of our monthly meetings where it was decided that they should not be formally referred to the Committee in accordance with section 173(1)(b) of the Social Security Administration Act 1992:

- The Social Fund (Budgeting Loans) (Applications and Miscellaneous Provisions) Regulations 2015
- The Universal Credit (Transitional Provisions) (Amendment) Regulations 2015
- The Universal Credit and Miscellaneous Amendments Regulation 2015
- The Social Security (Disability Living Allowance) (Amendment) Regulations 2015 (*subsequently combined with a later package of amendments and came into force as the Social Security (Disability Living Allowance and Personal Independence Payment) (Amendment) Regulations 2016*)
- The Social Security (Housing Costs Amendments) Regulations 2015
- The Universal Credit (Work Allowance) Amendment Regulations 2015
- The Universal Credit and Miscellaneous Amendments Regulations 2015 (*an additional provision incorporated into what subsequently became the Universal Credit (Waiting Days) (Amendment) Regulations 2015*)
- The Universal Credit, JSA and ESA (Sanctions) (Amendment) Regulations 2015 (*subsequently renamed the Social Security (Sanctions) (Amendment) Regulations 2016*)
- The Social Security (Scottish Rate of Income Tax) Regulations 2015
- The Social Security Benefit (Computation of Earnings) (Amendment) Regulations 2015
- The Universal Credit (Transitional Provisions) (Amendment) Regulations 2016
- The Housing Benefit (Executive Determinations) (Amendment No 2) Regulations (Northern Ireland) 2015
- The Social Security (Disability Living Allowance and Personal Independence Payment) (Amendment) Regulations 2016

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- The Personal Independence Payment (Transitional Provisions) (Amendment) Regulations 2016

The following sets of regulations were scrutinised by the Committee by post. In each case it was decided that the regulations did not need to be referred to the Committee:

- The Social Fund Cold Weather Payments (General) Amendment (No. 2) Regulations 2015
- The Social Security (Crediting and Treatment of Contributions, and National Insurance Numbers) (Amendment) Regulations 2015
- The Statutory Paternity Pay, Statutory Adoption Pay and Statutory Shared Parental Pay (Amendment) Regulations 2015
- The Social Security Benefits (Adjustment of Rates and Thresholds) Regulations 2016
- The Social Security (Fees Payable by Qualifying Lenders) Amendment Regulations 2016
- The Universal Credit (Surpluses and Self-employed Losses) (Change of Coming into Force) Regulations 2016
- The Universal Credit (Care Leavers and Looked After Children) Amendment Regulations 2016
- The Jobseeker's Allowance (Extended Periods of Sickness) Amendment Regulations 2016

The Committee decided that the following sets of regulations should be taken on formal reference in accordance with section 172(1) of the Social Security Administration Act 1992:

- The Housing Benefit (Miscellaneous Amendments) Regulations 2015 (*subsequently renamed the Housing Benefit (Abolition of the Family Premium and date of claim) Amendment Regulations 2015*)
- The Housing Benefit and State Pension Credit (Temporary Absence) (Amendment) Regulations 2016

Only one set of regulations was scrutinised by the Committee under the 'urgency provisions' during the reporting year. In the following case the Department for Social Development in Northern Ireland invoked the urgency clause contained in section 150(1)(a) of the Social Security Administration (Northern Ireland) Act 1992:

- The Housing Benefit (Executive Determinations) (Amendment No 2) Regulations (Northern Ireland) 2015

Regulations coming to the Committee from HMRC in accordance with the Memorandum of Understanding were as follows:

- The Working Tax Credit (Entitlement & Maximum Rate) (Amendment) Regulations 2015
- The Child Benefit (General) (Amendment) Regulations 2015
- The Tax Credits (Income Thresholds and Determination of Rates) (Amendment) Regulations 2015
- The Tax Credit and Child Benefit (Miscellaneous Amendments) Regulations 2016

Annex 2: Presentations to the Committee

May 2015

- Universal Credit Evaluation (DWP)
- HMRC update

July 2015

- Personal Independence Payment Communications (DWP)

October 2015

- Welfare Reform and Work Bill (DWP)
- HMRC update

Annex 3: Committee Membership during 2015-16

Committee Members

Paul Gray CB (*Chair*)
John Andrews OBE
Rachael Badger
Adele Baumgardt
John Ditch
Colin Godbold
Chris Goulden
Jim McCormick
Gráinne McKeever
Matthew Oakley
Seyi Obakin OBE
Judith Paterson
Nicola Smith

Committee Secretariat²²

Denise Whitehead (*Committee Secretary*)
Michael Coombs
Paul Mackrell
Henry Parkes
Eirteqa Sultan
Victoria Todd²³

²² As at 31 March 2016

²³ Committee Adviser on HMRC issues (unpaid post)

Annex 4: Committee Members' biographies²⁴

Paul Gray CB

Paul Gray CB became the chair of the Social Security Advisory Committee in 2012. He was also appointed by the government to lead the first independent review of Personal Independence Payment (PIP) assessment process which [reported at the end of 2014](#). Paul has recently been commissioned to conduct the second statutory independent review of PIP. Paul is also:

- an associate of Praesta Partners LLP, an executive coaching / mentoring firm
- a member of the Council at the University of Essex

His former roles include:

- Executive Chairman, HM Revenue & Customs
- Second Permanent Secretary, Department for Work and Pensions
- economic affairs private secretary to the Prime Minister
- corporate planner in the private sector

John Andrews OBE

John Andrews is the former head of tax at Coopers & Lybrand (now PWC) and was president of the Chartered Institute of Taxation. Since 1998 he has been a full-time volunteer in the charity sector with a particular focus on helping those on low incomes cope with the complexity of the law.

Rachael Badger

Rachael Badger was the Head of Policy Research for Families, Welfare and Work at Citizens Advice between 2013 and 2016, before moving to her current role in their Finance and Transformation team. Between 2003 and 2013, Rachael was a civil servant and had a variety of roles within the Department for Work and Pensions and HM Treasury.

Adele Baumgardt

Adele Baumgardt is a consultant providing advice on diversity and equality issues to public authorities. She is a member of the Welsh Government's Third Sector Partnership Council and is vice-chair of Sport Wales. She is a former chair of the Public Transport Committee in Wales and a former Wales commissioner for the Women's National Commission.

²⁴ As at 30 March 2016

John Ditch

John Ditch is a former Professor of Social Policy at the University of York and a former Pro Vice-Chancellor at Northumbria University. He is a senior expert to the EU's Mutual Information System on Social Protection and an Independent Consultant and Honorary Professor of Social Policy at the University of York. He is also a Fellow of the Royal Society of Arts and of the Royal Statistical Society. As a former Chair and Vice-Chair of two NHS Board and as an independent member of the Agricultural Wages Board for England and Wales, he has extensive board and committee experience.

Colin Godbold

Colin Godbold is a consultant specialising in delivery of large scale Information Technology and organisational change programmes. He is a former partner in IBM's consultancy and services practice. In his 30-year experience, he has led the delivery of complex programmes in both the public and private sectors. He is a fellow of the British Computer Society and is a chartered and European Engineer. Colin is the Committee's Vice Chair, and represents the interests of employers.

Chris Goulden

Chris Goulden is Deputy Director of Policy and Research at the Joseph Rowntree Foundation. He is a former social researcher at the Home Office and Cabinet Office. Chris has also been a cancer researcher in the NHS, a member of the UK Commission for Employment and Skills Expert Group and a member of the Social Research Association Board. He has a Masters degree in social research methods from South bank University.

Jim McCormick

Dr Jim McCormick is co-founder of a research partnership McCormick-McDowell, Scotland Adviser to the Joseph Rowntree Foundation, a board member of Scottish Business in the Community and a member of the Stroke Association Scotland Committee. Previously he was director of independent think-tank the Scottish Council Foundation. He's also worked at the Institute for Public Policy Research (IPPR) and in the European Parliament in Brussels.

Gráinne McKeever

Dr Gráinne McKeever is an Executive Director and former Chair of the Law Centre, Northern Ireland, a not-for-profit specialist advice organisation. She is a Reader in Law at Ulster University, with research and teaching expertise in social justice. She is the Assistant Editor of the Journal of Social Security Law and currently teaches social security law and policy to undergraduate and postgraduate law students. Gráinne is a Director of Ulster University's Law Clinic, through which postgraduate law students provide social security advocacy for members of the public.

Social Security Advisory Committee

Matthew Oakley

Matthew has been Head of Economics at the Westminster Policy Institute (WPI) since September 2015. He is also a Senior Researcher at the Social Market Foundation. Before joining WPI, he was Chief Economist and Head of Financial Services Policy at the consumer champion Which?, where he led teams focussed on improving competition and innovation in the financial services sector and improving cross-cutting regulatory policy. Before that, he spent 3 years as Head of Economics and Social Policy at the think tank Policy Exchange and is a former Economic Adviser at HM Treasury, where he worked in a number of roles focussed on tax policy making, microeconomic analysis and, latterly, the policy response to the financial crisis and the introduction of Universal Credit. He has an MSc in Economics from University College London, where he specialised in microeconomics, public policy and econometrics. He also led the [independent review of Jobseeker's Allowance sanctions](#) that reported to Parliament in 2014.

Seyi Obakin OBE

Seyi Obakin is the Chief Executive of Centrepoin, a leading national charity working with young people who have experienced homelessness. He is a chartered accountant and has worked in a wide range of social housing provision. He has also been involved in research and inquiries into family life and the support families need, lifelong literacy and youth enterprise. He is currently serving as a Commissioner of the UK Commission for Employment and Skills.

Judith Paterson

Judith Paterson has worked in the field of social security law and advice for more than 25 years and is currently leading a Scotland-wide, second tier welfare rights service for the Child Poverty Action Group in Scotland. Her work involves contributing to social policy work and analysing legislation and issues arising from casework for their impact on individuals, families and services.

Nicola Smith

Nicola Smith, as the Head of the Economic and Social Affairs of the Trades Union Congress, was responsible for research and policy development on a wide range of areas from macro-economic policy, the labour market and public spending to housing, transport and pensions. She is a former principal researcher at the Centre for Economic and Social Inclusion and has worked in related roles at Barnardo's and the Department for Education.

Victoria Todd (*adviser on HMRC issues*)

Victoria is an unpaid adviser to the Social Security Advisory Committee on HMRC-related issues. She is Welfare Rights Technical Officer for the Low Incomes Tax Reform Group (LITRG) of the Chartered Institute of Taxation. In that role, she leads work on tax credits, represents the interests of low income taxpayers in the tax system and represents LITRG at a number of HMRC forums

and groups. She also writes on tax credits for claimants and their advisers, lectures to adviser audiences and broadcasts on radio. Victoria co-wrote the 'Tax Credits Handbook 2012/13' which provides comprehensive guidance and commentary on the tax credits system. She is a member of the Association of Tax Technicians.

Annex 5: Attendance Record

Name	April 2015	May 2015	June 2015	July 2015	September ²⁵ 2015		October 2015	December 2015	January 2016	March 2016
Paul Gray	√	√	√	√	√	√	√	√	√	√
John Andrews	x	√	√	√	√	√	x	√	√	√
Rachael Badger	x	√	√	√	√	√	√	√	√	x
Adele Baumgardt	√	√	√	√	√	√	√	√	√	√
John Ditch	√	√	√	√	√	√	√	√	√	√
Colin Godbold	√	√	√	√	√	√	√	√	x	x
Chris Goulden	√	√	√	√	√	√	√	√	x	√
Jim McCormick	√	√	√	x	√	x	√	√	√	√
Grainne McKeever	√	x	√	√	√	x	√	√	√	√
Matthew Oakley	x	√	√	x	√	√	x	√	√	√
Seyi Obakin	√	√	x	√	√	√	√	√	√	√
Judith Paterson	√	√	√	√	√	√	√	√	√	√
Nicola Smith	√	√	x	x	x	x	√	√	√	x

²⁵ SSAC's September meeting took place over two days because of the volume of proposals presented to it.

Annex 6: Fees and Expenses

Member	Travel					Subsistence	Fees	Total
	Air	Rail/ tube	Taxi	Car & car parking	Hotel	Including PIA, hotel allowance, friends & family allowance		
Paul Gray ²⁶	£633.00	£101.96	£57.00	£82.07	-	-	-	£874.03
John Andrews	£122.27	£634.37	£94.50	£62.90	-	£40.00	£8414.48	£9368.87
Rachael Badger	£134.17			£10.00	-	£15.00	£3064.48	£3223.65
Adele Baumgardt	£85.00	£1501.22	-	£422.22	£204.70	£65.00	£4237.20	£6514.54
John Ditch	£85.00	£1426.02	£69.75	£310.20	£415.93	£155.00	£9184.88	£11646.78
Colin Godbold	£132.11	£555.55	£14.80	£106.30	£79.60	£76.15	£4042.32	£5006.83
Chris Goulden	£422.92	£496.92	-	£55.40	£203.65	£178.85	£4930.56	£6288.30
Jim McCormick	£422.92	£665.32	£102.00		£203.65	£46.00	£3115.44	£4555.33
Grainne McKeever	£974.73	£551.36	£132.29		£313.89	£152.99	£2730.64	£5112.70
Matthew Oakley	£113.05	£1.50		£39.03	-	£70.00	£2302.64	£2526.22
Seyi Obakin	-	£34.00	-	£5.00	-	-	£3073.04	£2641.24
Judith Paterson	-	£965.02	£9.70	£59.99	£815.36	£204.59	£4767.92	£6822.23
Nicola Smith	-	-	-	-	-	-	£770.40	£770.40

No hospitality²⁷ was accepted by Committee members during 2015-16.

²⁶ the Chair of SSAC is remunerated on a fixed annual basis (at £22,000)

²⁷ Does not normally include attendance at functions hosted by HM Government or the Royal Household; 'diplomatic' functions in the UK or abroad which are hosted by overseas governments; minor refreshments at meetings, receptions, conferences, and seminars; or offers of hospitality which were declined.

* indicates if accompanied by spouse/partner or other family member or friend.

Annex 7: Register of Members' interests (as at 31 March 2016)

Member	Interests
Paul Gray	Associate, Praesta Partners LLP Chair of Governors, Joyce Frankland Academy, Newport Member, University of Essex Council and its Resources Committee Trustee, Jane Bradbury Educational Foundation
John Andrews	Fellow of the Chartered Institute of Taxation (and member of the Low Incomes Tax Reform Group) Fellow of the Institute of Chartered Accountants in England and Wales Associate of the Association of Tax Technicians
Rachael Badger	Employed by Citizens Advice Spouse employed by Accenture.
Adele Baumgardt	Independent consultant Vice Chair Sport Wales Chair Public Transport Users' Committee for Wales
John Ditch	Independent consultant and Honorary Professor of Social Policy at the University of York Fellow of the Royal Society of Arts and of the Royal Statistical Society.
Colin Godbold	Independent consultant Member of the Board of the Administrative Data Research Network Member of the National Statistician's Data Ethics Committee Public Governor, South Central Ambulance Service NHS Foundation Trust Reviewer (occasional), Cabinet Office Infrastructure & Projects Authority

Chris Goulden	Employed by Joseph Rowntree Foundation Member of the Social Policy Association
Jim McCormick	Partner: McCormick-McDowell Research Partnership Associate Director Scotland at the Joseph Rowntree Foundation Advisory Board Member, Business in the Community Scotland Member, Stroke Association Scotland Committee
Grainne McKeever	Executive Director of the Law Centre, Northern Ireland Reader in Law at Ulster University
Matthew Oakley	Head of Economics at the Westminster Policy Institute Senior Researcher at Social Market Foundation Self-employed income from Joseph Rowntree Foundation
Seyi Obakin	Chief Executive, Centrepoint Commissioner, UK Commission for Employment and Skills
Judith Paterson	Employed by Child Poverty Action Group. Paid authoring of Disability Rights Handbook (up to 2014/15 edition) for Disability Rights UK.
Nicola Smith	Employed as Head of Economic and Social Affairs at the TUC

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