



HM Revenue  
& Customs

SOCIAL SECURITY  
ADVISORY COMMITTEE



HM Treasury

**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; and
  - the Committee's scrutiny of, and advice to Treasury Ministers and HMT and HMRC officials on, HMRC's draft secondary legislation.
2. In delivering this Memorandum of Understanding, the Committee Chair 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. HMRC and HMT will regard the Committee as a trusted partner who will respect the confidentiality of information shared with them in order to assist their advisory functions.

## **Policy areas covered by the Memorandum**

3. The Memorandum covers the following policy areas:
  - Tax Credits (Child and Working Tax Credit) and their migration to Universal Credit;
  - Child Benefit and Guardian's Allowance; and
  - aspects of policy on National Insurance Contributions that affect entitlement to contributory benefits.
4. In particular, and by agreement, HMRC will continue to seek the Committee's advice on matters related to the Childcare Payments Scheme (commonly known as Tax-Free Childcare).

## **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 the above policy areas.

## **Information handling**

6. All parties to this agreement must process information in compliance with the mandatory requirements currently set out in HM Government's [Security Policy Framework](#) when handling, transferring, storing, accessing or destroying information.
7. Further details on how the parties share information is set out in a separate document.

## **Publication**

8. 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.

## **The general advisory role**

9. Whether in respect of topics for policy advice that it has selected on its own initiative, or in response to specific requests, HMT and HMRC officials will furnish the Committee with such information as it may reasonably require in connection with the formulation of its advice to Treasury Ministers 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. HMT and HMRC will treat the Committee as a trusted partner and, in turn, the Committee will respect the confidentiality of all sensitive information shared with it.
10. In addition to information supplied on an ad hoc basis, officials from HMT and/or HMRC will meet the Committee Chair at least annually to provide an update on developments and discuss issues of mutual interest. Meetings will be arranged with other Committee members where business requires it. Additionally, HMRC will provide details of forthcoming legislation on the matters covered by this Memorandum on a quarterly basis.
11. 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.
12. In the course of the preparation of its advice to Treasury Ministers, HMT and HMRC officials, the Committee will offer officials the opportunity to consider and comment on drafts. Responses to the Committee's advice will be made within 30 working days of its receipt.

13. The Committee will publish both its advice and any responses to it on its website.

### **Advice on draft regulations**

14. HMRC officials are responsible for notifying the Committee of their plans for legislation. Each quarter they should 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. The timetable should include an opportunity for the Committee to scrutinise the draft regulations (before they are laid) at one of its regular scheduled meetings. In line with the [Committee's Rules of Procedure](#), the Chair may, in exceptional circumstances and conditional on the availability of at least seven other Committee members, convene a meeting giving a minimum of seven days' notice.
15. 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 and a Keeling schedule making clear what amendments are being made. HMT and HMRC officials will attend Committee meetings on request to provide further explanation.
16. HMRC will normally submit for scrutiny the draft regulations, and accompanying Explanatory Memorandum and Keeling Schedule, at least 14 calendar days before a scheduled Committee meeting. In exceptional circumstances this may not be possible, and in such cases HMRC should write to the Committee Chair explaining the circumstance for the delay. 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 and time for this eventuality should be built in at the planning stage. In the event that the Committee seeks the views of other organisations to prepare its advice, the Committee remains responsible for ensuring that the confidentiality of all sensitive information shared with it is respected.
17. 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.

## **Committee's Annual Report**

18. The Committee's Annual 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.
19. HMT and HMRC officials will be given seven working days to comment on the wording of proposed entries in the annual report.

## **Monitoring, evaluation and review**

20. The arrangements will be monitored annually by all signatories to this Memorandum of Understanding to:
  - ensure the Memorandum is being adhered to; and
  - ensure that the process and role add value and is operating well.
21. 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.

**This Memorandum of Understanding was reviewed and agreed by the following parties in May 2020:**

**HM TREASURY**

**David Silk**

**Deputy Director - Welfare Spending and Reform Group**

A handwritten signature in black ink that reads "David Silk".

**HM REVENUE & CUSTOMS**

**James Dunstan**

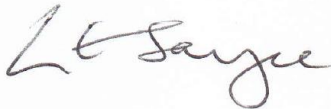
**Deputy Director – Tax Credits and Child Benefit Policy**

A handwritten signature in blue ink that reads "James Dunstan".

**SOCIAL SECURITY ADVISORY COMMITTEE**

**Liz Sayce**

**Chair, Social Security Advisory Committee**

A handwritten signature in black ink that reads "Liz Sayce".