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for Work &  
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Frank Field MP  
Work and Pensions Select Committee  
House of Commons  
London  
SW1A 0AA

8th July 2019

Dear Frank Field,

I would like to invite the Work and Pensions Select Committee to contribute to the Tailored Review of the Social Security Advisory Committee (SSAC).

As you know, SSAC is an Advisory Non Departmental Body of DWP. The Department is required to conduct a Tailored Review of each of its Non-Departmental Public Bodies (NDPBs) once every five years. Although departments conduct reviews of their own NDPBs, the Tailored Review programme is centrally managed by Cabinet Office, who define the parameters of reviews. The Tailored Review considers the continued form and functions of the body, as well as its governance arrangements, effectiveness and efficiency. The Review can make recommendations to both the sponsoring department and the organisation under review.

The Tailored Review of SSAC began on June 1<sup>st</sup>, 2019. Evidence for the review is being collected orally and in writing from a range of stakeholders. The evidence gathering phase is scheduled to conclude by 12 July.

SSAC scrutinises most of the proposed regulations relating to welfare benefits and state pensions, and provides formal advice to the Secretary of State which is published and laid in Parliament with the regulations. Parliamentarians are therefore a key stakeholder of SSAC.

I would encourage the Select Committee to provide evidence for the review, either in writing or in person to the review team (contact details Annex 1). The questions the review team would like to explore are attached as Annex 2 to this letter, with the full terms of reference for the review attached for information as Annex 3. A response to this letter would be appreciated by 12 July.

A handwritten signature in black ink, appearing to read 'Buscombe', written in a cursive style.

**Baroness Buscombe**  
**Parliamentary Under Secretary of State for Work and Pensions (Lords)**

## **ANNEX 1 – Review Team contact details**

**Lead Reviewer:**

**Vijay Sharma**

Finance Business Partner | Strategic Finance | Department for Work and Pensions

***Please send responses / arrange meetings with the Review Team via:***

**Juliet Netting**

ALB Partnership Division | Policy Group – Private Pensions & ALB Partnership  
Directorate | Department for Work and Pensions

**[JULIET.NETTING@DWP.GOV.UK](mailto:JULIET.NETTING@DWP.GOV.UK)**

**02074119676**

## **ANNEX 2 – Questions about the Social Security Advisory Committee**

The review team would benefit from the Select Committee's thoughts on the following questions:

1. Do you have an understanding of what the Social Security Advisory Committee's functions are?
2. How do services performed by the Social Security Advisory Committee add value to the effective design of the social security and welfare system?
3. Is the Social Security Advisory Committee effective in its scrutiny of proposed regulations relating to benefits administered by the Department for Work and Pensions?
4. Are there additional functions which SSAC should take on?
5. Do you feel that the Social Security Advisory Committee operate independently of government and interest groups?
6. Does the Social Security Advisory Committee contain an appropriate range of expertise in its membership?
7. How would you describe the reputation of the Social Security Advisory Committee?

## **ANNEX 3 – Terms of Reference for the Tailored Review**

### **Tailored Review of IIAC and SSAC – Terms of Reference**

#### **Background**

As advisory non-departmental public bodies (NDPBs), the Industrial Injuries Advisory Council (IIAC) and the Social Security Advisory Committee (SSAC) are each subject to a Tailored Review at least once in the lifetime of a Parliament. Due to their similarities in function and size, the reviews of IIAC and SSAC have been clustered together in one Tailored Review, in line with Cabinet Office guidelines. The Tailored Review of IIAC and SSAC has been classified as Tier 3, based on criteria including the small size and spend of the bodies.

#### **IIAC:**

IIAC is an advisory NDPB sponsored by DWP, as well as a scientific advisory committee. IIAC provides expert scientific advice to the Secretary of State for Work and Pensions in Great Britain and the Department for Communities (DfC) in Northern Ireland about the Industrial Injuries Scheme. This Scheme provides no-fault benefits to employed earners who become sick or injured as a result of their job. IIAC was established under the National Insurance (Industrial Injuries) Act 1946, which came into effect on 5 July 1948.

IIAC's functions are set out in sections 171 to 173 of the Social Security Administration Act 1992 and corresponding Northern Ireland. These are:

1. To consider and advise on matters relating to Industrial Injuries Disablement Benefit or its administration referred to it by the Secretary of State for Work and Pensions in Great Britain or the DfC in Northern Ireland.
2. To advise on any other matter relating to the Industrial Injuries Disablement Benefit or its administration.
3. To consider and provide advice on any draft regulations the Secretary of State proposes to make on Industrial Injuries Disablement Benefit or its administration.

The Council's role is purely advisory, it has no power or authority to become involved in individual cases or in the decision-making process, and has no executive or administrative functions

IIAC currently consists of 16 members, including the Chair. It is supported by a secretariat of 2 FTE, provided by DWP. DWP also provides a small administration budget which is managed by the secretariat. Its annual expenditure allocation for 2018/19 was £40,000 plus £15,000 for the Chair's salary.

The previous Triennial Review of IIAC was conducted in 2015. This review will consider the implementation of recommendations of the 2015 Triennial Review, as well as areas that the Triennial Review did not cover.

IIAC is also a Scientific Advisory Council. This review will therefore consider IIAC's compliance with the Code of Practice for Scientific Advisory Committees and the Principles of Scientific Advice to Government.

#### **SSAC:**

SSAC is an advisory NDPB sponsored by DWP that provides advice to the Secretary of State for Work and Pensions and the Department for Communities in Northern Ireland on social security and related matters. The Committee also has a non-statutory role offering advice to Treasury Ministers and HM Revenue and Customs (HMRC) on Tax Credits, National Insurance, Child Benefit and Guardian's Allowance. SSAC was established by the Social Security Act of 1980

SSAC's functions are set out in the Social Security Administration Act 1992. These are:

1. To perform a mandatory scrutiny of the majority of proposed regulations relating to benefits administered by the Department for Work and Pensions (DWP), principally for the benefit of the Secretary of State but also for Parliament; and
2. To provide advice and assistance to the Secretary of State, whether in response to a specific request or on the Committee's own initiative.

SSAC provides advice and assistance in a number of forms, including undertaking studies as part of their independent work programme, informally scrutinising draft

regulations which are exempt from statutory scrutiny, and commenting on draft guidance and communications produced by both DWP and HMRC.

SSAC currently consists of 13 members, including the Chair, and is supported by a secretariat of 4 FTE. Its budget allocation for 2018/19 was £350,000. Funding is allocated by the Department.

The previous Triennial Review of SSAC was conducted in 2015. This review will consider the implementation of recommendations of the 2015 Triennial Review, as well as anything new.

SSAC's function of scrutinising social security legislation means that it has closely examined issues relating to the implementation of Universal Credit. While its role is to provide advice to the Secretary of State, that advice may relate to politically 'live' issues, and this review will provide renewed assurance of SSAC's independence and expertise in delivering that advice.

### **Clustered Review:**

The similarity of the organisations' governance and structure will allow this review to compare them to identify any areas for improvement. Particular points of interest will be exploration of the membership of the committees and their governance in partnership with the Department. The bodies do differ in several ways, such as in the way funding is allocated and managed; and provisions of the secretariats, and these differences will be reflected in the review.

The Social Security (Scotland) Act 2018 devolved aspects of the social security system to the Scottish Parliament. This change affects SSAC as they must evolve and build their relationships with the Scottish Government and its bodies. This review will consider how the devolution context impacts on the work of IIAC and SSAC, including SSAC's planned approach to cross working with the new Scottish Commission on Social Security.

## **Purpose and scope**

The Tailored Review aims to provide a robust challenge to, and assurance of, the continuing need for IIAC and SSAC with regard to their functions, form, governance and how effective and efficient they are.

### *Form and Function*

This will consider the position and status of IIAC and SSAC as DWP sponsored Advisory Non-Departmental Public Bodies (NDPB), focusing on:

- Whether the functions performed by IIAC and SSAC remain necessary, including whether these should continue to be delivered by individual bodies.
- Whether the functions performed by IIAC and SSAC contribute to the core business of DWP and to government as a whole.
- Whether the functions performed by IIAC and SSAC are best delivered through Advisory NDPB's or whether any other delivery model would be more suitable.
- IIAC and SSAC's interaction with DWP and other government functions. This will include their interaction with DWP policy teams, their interaction with the Department for Communities in Northern Ireland, and SSAC's interaction with HMRC.

### *Governance*

This will consider the governance both within IIAC and SSAC and between the bodies and the Department, including:

- The structure and composition of IIAC and SSAC and any supporting subcommittees.
- The structure and resourcing of the IIAC and SSAC secretariats.
- IIAC and SSAC's transparency.



- The DWP partnership arrangements with IIAC and SSAC, and whether they utilise the guidelines set out in the Cabinet Office's 'Partnerships with arm's length bodies: code of good practice'.<sup>1</sup>
- The governance and risk management processes within IIAC and SSAC and how these are assessed.
- Whether the governance controls in place follow the Code of Good Practice.<sup>2</sup>
- IIAC's status as a Scientific Advisory Committee<sup>3</sup> and its adherence to the Code of Practice for Scientific Advisory Committees and the Principles of Scientific Advice to Government.<sup>4</sup>

### *Effectiveness*

This will consider how IIAC and SSAC deliver their functions and how this is assessed, including:

- IIAC and SSAC's delivery of its current set of functions and responsibilities, and the skills it requires to do this.
- How IIAC and SSAC set priorities and conducts business planning including alignment with and support from the Department.
- How IIAC and SSAC decide what pieces of work to undertake.
- How IIAC and SSAC interact with the Department's formulation of new policy.
- How the services performed by IIAC and SSAC add value to the DWP and Parliament
- How IIAC and SSAC's performance and effectiveness is assessed and improved.
- IIAC and SSAC's standing, including engagement with stakeholders and transparency on its performance and outcomes with the public.

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<sup>1</sup> Cabinet Office, (2017), Partnerships with arm's length bodies: code of good practice, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/594345/Partnerships\\_between\\_departments\\_and\\_arm\\_s\\_length\\_bodies-code\\_of\\_good\\_practice.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/594345/Partnerships_between_departments_and_arm_s_length_bodies-code_of_good_practice.pdf)

<sup>2</sup> Cabinet Office & HM Treasury, (2017), 'Corporate Governance in Central Government Departments: Code of Good Practice', <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>

<sup>3</sup> Government Office for Science, (2011), 'Code of Practice for Scientific Advisory Committees', <https://www.gov.uk/government/publications/scientific-advisory-committees-code-of-practice>

<sup>4</sup> Government Office for Science, (2010), 'Principles of scientific advice to government', <https://www.gov.uk/government/publications/scientific-advice-to-government-principles/principles-of-scientific-advice-to-government>

- The recruitment, diversity, and development of IIAC and SSAC's membership.

### *Efficiency*

This will consider how IIAC and SSAC manage their resources, including:

- IIAC and SSAC's efficiency in delivery and the value for money offered for the taxpayer.
- How IIAC and SSAC are funded and how future budget requirements and funding may develop, with a view to the upcoming Spending Review.
- Whether any improvements could be made to ensure greater efficiency, including the use of Shared Services.

### *Devolution*

- How the context of devolution impacts upon IIAC and SSAC.
- How IIAC and SSAC interact with devolved departments and agencies.

### *The UK's exit from the European Union*

- The extent to which IIAC and SSAC's functions are shaped by EU regulations or processes, and whether current oversight of these is appropriate.

## **Approach**

The Tailored Review will be conducted on behalf of the Secretary of State for Work and Pensions. In line with Cabinet Office principles, Tailored Reviews are designed to be proportionate, challenging, transparent, and delivered at pace. The Cabinet Office has designed a 'three tier' approach which suggests the appropriate levels of scrutiny and governance for the review. The Cabinet Office has designated the review of IIAC and SSAC as Tier 3.

The Tailored Review will begin in May 2019 and last for four months, and the Lead Reviewer will be Vijay Sharma, supported by a small dedicated Review Team. This

team will be supported by specialists in finance, internal audit and policy from within the Department, as necessary. To ensure the objectivity of the review, the Lead Reviewer has been appointed from outside of the Department's ALB Partnership team and IIAC and SSAC; the review team will consist of Departmental staff who have not been involved in the partnership of IIAC or SSAC. Evidence will be gathered from IIAC, SSAC, stakeholders within DWP and external stakeholders.

The approach will be inclusive, and so IIAC, SSAC and the DWP Partnership team will be involved in the review. The point of contact at IIAC will be Stuart Whitney, IIAC Secretary. The point of contact at SSAC will be Denise Whitehead, SSAC's Committee Secretary. The review team will share the Terms of Reference with the bodies and the DWP partnership team, and they will be submitted to the Minister for Disabled People, Health and Work, the Minister for Work and Pensions (Lords), and the Minister for the Constitution (Cabinet Office) for clearance.

The review will work with IIAC and SSAC to agree the approach and timings, organise interviews and ensure that evidence is understood. The review team will share, obtain feedback on and discuss emerging findings with IIAC, SSAC and the DWP Partnership team, including drafts of the report. The review team will also update the Cabinet Office Public Bodies team regularly. Upon completion of the review, the Lead Reviewer will communicate their findings and recommendations to the IIAC and SSAC Chairs, the DWP Lead Partner and DWP's Private Pensions Director, as well as to the Minister for Disabled People, Health and Work, and the Minister for Work and Pensions (Lords). An implementation plan for any recommendations will be developed and agreed by IIAC, SSAC, and the Department, and progress against this will be tracked with regular updates, in line with agreed partnership processes.

The review will produce a clear and concise report that will describe the areas considered, evidence examined and any recommendations. The final report will be published on GOV.UK, with any sensitive information redacted. Before publication, it will be discussed with the Department, IIAC, SSAC and Cabinet Office, and receive clearance from the Minister for Disabled People, Health and Work and the Minister for Work and Pensions (Lords).

## **Annex A – Gap Analysis**

<b>Section</b>	<b>Initial view</b>	<b>Points to consider</b>
<p><b>Form and Function:</b></p> <ul style="list-style-type: none"> <li>Should IIAC and SSAC continue to exist and is its current delivery model the most appropriate?</li> <li>Is there any scope for changes to IIAC or SSAC's form or functions that would provide greater effectiveness or efficiency?</li> </ul>	<p>This section will focus on IIAC and SSAC's form as Advisory NDPB's. This will include consideration of other delivery models, such as Expert Committees.</p> <p>We plan this area to consider IIAC and SSAC's relationship with other Departments, including the Department for Communities (DfC) in Northern Ireland and HMRC.</p>	<p>The 2015 Triennial Reviews of IIAC<sup>5</sup> and SSAC<sup>6</sup> both concluded that the form of an Advisory NDPB remained appropriate for the bodies.</p> <p>Both bodies provide advice to the Department for Communities (DfC) in Northern Ireland.</p> <p>SSAC scrutinises some HMRC Regulations, with the relationship governed by a Memorandum of Understanding. The 2015 Triennial Review expected this role to decrease significantly following Universal Credit roll out.</p>
<p><b>Governance:</b></p> <ul style="list-style-type: none"> <li>How effective is the governance of IIAC and SSAC and how could this be improved?</li> <li>How effective is the relationship between</li> </ul>	<p>This review plans to assess IIAC and SSAC's governance arrangements, controls, processes and safeguards to ensure that they are as effective as possible, in line with the Code of Good Practice.<sup>7</sup> This will particularly consider the structure, composition, appointments and skills of the committees.</p> <p>To assess this area, the review team will attend</p>	<p>2015 Triennial Reviews of IIAC and SSAC concluded that both bodies demonstrated good compliance with the principles of good corporate governance.</p> <p>Professor Sir Ian Diamond became Chair of SSAC in August 2018. This review will consider whether any changes to SSAC's</p>

<sup>5</sup> Department for Work and Pensions, (2015), Industrial Injuries Advisory Council triennial review, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/411435/iac-triennial-review-2015.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/411435/iac-triennial-review-2015.pdf)

<sup>6</sup> Department for Work and Pensions, (2015), Social Security Advisory Committee triennial review, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/416096/ssac-triennial-review-2015.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/416096/ssac-triennial-review-2015.pdf)

<sup>7</sup> Cabinet Office & HM Treasury, (2017), 'Corporate Governance in Central Government Departments: Code of Good Practice', <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>

<p>IIAC or SSAC and the Department and how could this be improved?</p> <ul style="list-style-type: none"> <li>As a scientific advisory committee, does IIAC comply with the Code of Practice for Scientific Advisory Committees and the Principles of Scientific Advice to Government</li> </ul>	<p>meetings and consult with any authorised views, documents and products as they become available.</p> <p>The Terms of Reference for IIAC and the Framework Documents between SSAC and the Department were last updated in 2016, and this review will consider the Framework Documents, to ensure robust and proportionate oversight and partnership arrangements.</p> <p>This review will consider whether IIAC adheres to the Code of Practice for Scientific Advisory Committees<sup>8</sup> and the Principles of Scientific Advice to Government.<sup>9</sup> We will work with the Government Office for Science to ensure a full understanding of these guidelines.</p>	<p>governance structures are needed to ensure it is effective under the new Chair.</p> <p>Both IIAC and SSAC interact with a range of Departmental stakeholders, including the ALB Partnership team, policy teams, and the relevant Ministers.</p> <p>The 2015 Triennial Review of IIAC concluded that its working practices were in line with the Code of Practice for SACs and the Principles of Scientific Advice to Government guidance.</p>
<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>How do IIAC and SSAC measure their performance?</li> <li>How effective are IIAC and SSAC as organisations and in performing their functions?</li> </ul>	<p>This review will consider IIAC and SSAC’s business planning, assessment of its performance, and how this is scrutinised by the Department. This will include examination of how IIAC and SSAC decide what issues to consider.</p> <p>This review will also consider what impact IIAC and SSAC’s advice has on Departmental decisions, and how the Department utilises the expertise of each committee.</p>	<p>The 2015 Triennial Review of SSAC recommended an evaluation of SSAC’s Independent Work Programme and impact of its previous reports. It also queried whether the impact and effectiveness of this programme could be increased through increased consultation with the Department.</p> <p>It also recommended that the Department consider more regularly whether there are specific matters in relation to which it would</p>

<sup>8</sup> Government Office for Science, (2011), ‘Code of Practice for Scientific Advisory Committees’, <https://www.gov.uk/government/publications/scientific-advisory-committees-code-of-practice>

<sup>9</sup> Government Office for Science, (2010), ‘Principles of scientific advice to government’, <https://www.gov.uk/government/publications/scientific-advice-to-government-principles/principles-of-scientific-advice-to-government>

	This review will also consider how committee members are recruited and inducted, as well as the leadership and culture of the organisation.	benefit from SSAC advice.
<b>Efficiency:</b> <ul style="list-style-type: none"> <li>• How do IIAC and SSAC track and seek improvements to their efficiency?</li> <li>• How efficient are IIAC and SSAC and what improvements can be identified?</li> </ul>	IIAC and SSAC both have small budgets and are supported by a small number of employees. Their running costs are minimal. We therefore expect this section to be light touch.	The 2019 Spending Review is scheduled to begin in summer 2019.
<b>The UK's exit from the European Union and devolution:</b> <ul style="list-style-type: none"> <li>• What EU-related work is within IIAC and SSAC's remits and how well are the organisations prepared for the UK's exit?</li> <li>• How does devolution impact upon the work of IIAC and SSAC and how well-managed is this?</li> </ul>	<p>The UK's exit from the European Union has very limited implications for IIAC and SSAC.</p> <p>This review will consider how the devolution context impacts on the work of IIAC and SSAC, including SSAC's planned approach to cross working with SCoSS and IIAC's approach to working with the Scottish Government.</p>	<p>The Scottish Commission on Social Security is in the process of being set up, following the devolution of certain social security powers to Scotland in 2016. The SCoSS will mirror the work of SSAC, providing advice and scrutiny of Scottish social security legislation.</p> <p>The Industrial Injuries Disablement Benefit is also devolved to Scotland.</p>