

Benefits and Credits Consultation Group meeting 12 January 2011

Attendees

HM Revenue & Customs

Paul Becker
Andrew Burland
Fran Coaker
Ann Marie Earwaker
Sean Griffin
Alli Lyons
Kevin Reid
David Skinner
Christina Smyth
Irenka Timlin
Tamsin Woodeson

Department for Work & Pensions

Roger Pugh

Representatives

Frances Corrie, TaxAid
Jane Hayball, Local Government Association
Karen Holmes, Turn2Us
Beth Lakhani, Child Poverty Action Group
Victoria Todd, Low Incomes Tax Reform Group

Apologies

John Andrews, Low Incomes Tax Reform Group/SSAC
Maureen Arthur, National Association of Welfare Rights Advisers
Fran Bennett, Oxford University
Ken Butler, Disability Alliance
Caroline Davey, Gingerbread
Richard Exell, TUC
Joy Flynn, Shelter
Siobhan Harding, Citizens Advice, Belfast
Katie Lane, Citizens Advice
Philip McNeill, TaxAid
Jane Moore, Institute of Chartered Accountants of England & Wales
Bernie O'Gorman, Local Government Association

Fran Robinson, Local Government Association
Sam Royston, Family Action
Sue Stewart, Grandparents Association

1. Welcome and introductions

Christina Smyth welcomed everyone and said that representatives attendance at the meetings and input between meetings was very much appreciated. She considered that the group had worked well together during 2010 and was looking forward to continuing the relationship in 2011. Christina was aware that representatives would sometimes discuss related issues with other areas of Benefits and Credits (B&C). She asked that the BCCG Secretariat be kept informed as this would help to avoid any duplication of work.

Christina welcomed Roger Pugh from the Department for Work and Pensions (DWP) and said that Universal Credit would gain a bigger profile over time.

Roger explained that his team in Policy and Strategy had responsibility for consultation arrangements with representative bodies around Universal Credit. He said that there was a possibility of setting up a discussion forum to include other Government departments, including HM Revenue & Customs (HMRC).

Beth Lakhani said that the re-established Social Security Consortium, now named Welfare Reform Consortium, represented users' interests across the board on various issues concerning young people, homeless and others. The consortium had deep concerns about the existing information around Universal Credit and the impact that regulations and legislation would have on clients.

Christina thanked Roger and Beth and said that consultation around Universal Credit would be considered again at the BCCG meeting in March. Christina acknowledged that some representatives had other meetings to attend today, and that she was also aware of potential issues with travel costs in the current financial climate. She explained that dates and times of meetings were not 'set in stone' and views would be sought on the date and times of future BCCG meetings if a change might be beneficial to the greater proportion of group members.

Jane Hayball welcomed the opportunity to consider future meetings but said that representatives will have already made arrangements for the March meeting and so the date and time for that meeting should not be changed.

Christina accepted this and asked that a note be sent to representatives to confirm the date and time of the BCCG meeting in March, but to say whether different start times in general would help ease travel cost pressures for representatives.

2. Update on actions and sub-groups

Action points

The action log had been sent to representatives on 11 January. Andrew Burland apologised for the short notice and asked if there were questions about any of the action points.

Victoria Todd asked if there was an update on APAug1017 relating to the In and Out of Work desk aid. Fran Coaker said that the desk aid would be distributed shortly.

Victoria also asked about current position of the Equality Impact Assessment (EQIA) consultation on the Identity Authentication System (IDAS). Alli Lyons explained that there had been some delays with this over the Christmas period but that the consultation document should be issued shortly now.

Sub-group update

Foster care: work was still progressing on action points from the last meeting and a further videoconference had been arranged for 9 February.

Error and fraud: Andy Farrar intended to hold a meeting to discuss wider error and fraud points either later in January or early February. Christina said that David Skinner would be giving a short presentation at today's meeting on a pilot exercise in partnership with Credit Reference Agencies around Undeclared Partners.

In and out of work: As Fran had outlined, copies of the desk aid promised at the meeting with Jobcentre Plus colleagues on 15 December should be circulated shortly. The original aim had been for the next meeting to take place in February but this was now likely to be postponed for a couple of months.

Assurance of Adult Disability Element (ADE) campaign: Initial meeting was held in December with Katie Lane (Citizens Advice) and Victoria Todd (Low Incomes Tax Reform Group). The scoping and Terms of Reference for this were agreed and the potential for 'mystery shopping' was also discussed. The next full meeting with all members had been arranged for 24 January to discuss progress of the assurance review. Other issues to be covered included the timing of any mystery shopping and HMRC statistics related to the ADE campaign.

Andrew confirmed with Jane Hayball that HMRC would send her the details of the Assurance review of ADE.

BCCG/HMRC Tactical Communications Group: At the meeting held on 13 December, issues discussed included a review of tax credits customer groups, actions taken during the 2010 renewals campaign and results of that activity. Planned activity for the 2011 renewals campaign was reviewed to identify areas, products and customer groups to be included in any activity. It had been agreed that no further products were required and that existing communications should target some additional customer groups and their advisers. These included: Local Authority staff, Sure Start groups, Health visitors/Primary Care Trusts, School governors, large private sector employees and Unions. A further meeting was planned for 18 January and Christina confirmed that the initial meeting had been productive and was a good step forward.

Jane Hayball referred to the information which had been sent to representatives about the bulk recalculation of tax credits awards. She acknowledged that although it may only be a relatively small change to the tax credit award, any income change did have an impact on Housing Benefit clients. Jane therefore said that the issue had not 'gone away' and she considered it appropriate for DWP to issue an explanatory note for Local Authority staff.

Christina agreed this was appropriate and said HMRC would draft a note on the issue for DWP. Roger Pugh said that Housing Benefit policy colleagues did have extensive contact with Local Authorities and that he would provide a contact name for the note.

Jane asked whether there was an explanation for significant reduction in numbers in the figures supplied about Child Benefit rival claims.

Tamsin Woodeson replied that it could be connected to a change in process and the way the figures are collated. Andrew added that he would check and get back to Jane.

3. Undeclared partners pilot

David Skinner explained that HMRC and DWP had issued a joint paper on Error and Fraud in October last year and said that this pilot exercise around Undeclared Partners involving Credit Reference Agencies (CRA) was one part of that initiative. David emphasised that no confidential data would be disclosed. It was a data matching exercise of names and addresses to help HMRC make contact with certain customers in relation to their tax credits awards.

Strict standards had been agreed with the selected CRA partners and all data would be destroyed at the end of the exercise. CRAs had confirmed that no 'footprint' would be left on customer records.

750 customers would receive letters during the pilot, the overall objective being to ensure that customers received the right money at the right time. David confirmed that the legal provision for this partnership approach was included in the Tax Credits Act and said that this work was in line with the Government's new approved to partnership working.

David acknowledged possible concerns about the letters being genuine. The HMRC website had been updated to reflect these concerns and reassure customers that the letters were genuine. Customer facing staff had been fully briefed and there would be no direct customer contact with CRAs. A dedicated telephone line for customers had been set up within HMRC for this exercise. David reiterated that it was a small initial pilot and that the CRAs involved were keen to work with HMRC to make the exercise a success.

Christina thanked David and added that 'undeclared partners' was a large area of lost revenue for HMRC and said this was the reason why new initiatives were needed to tackle the problem.

Beth Lakhani asked if any analysis of types of cases had been done. She explained that cases where one partner was subject to immigration control were sometimes a problem, with many people in this situation contacting them for advice. Was there any way that the Home Office could be alerted to reinforce the message of the right and need to claim tax credits?

David replied that HMRC and DWP had carried out joint research into why people didn't tell us about their partner. He acknowledged that notifying change of circumstances to benefit providers may be a low priority for customers in difficult circumstances.

Christina said that interventions covered a wide range of areas - error as well as fraud, and this wasn't just about hard compliance but also about education. Fran Coaker gave some details around the process and risk rules which would help HMRC to select relevant cases.

Victoria Todd agreed that some cases were clear cut but expressed concern about the 'grey' area in the middle. She also expressed concern about the scripts and guidance used by HMRC staff to make a decision. In a number of cases which she had taken forward for customers the compliance decision had eventually been reversed. Victoria considered that there was too much emphasis placed on the address data and that people were not able to control the actions of partners who had left the household (for example, if the partner had failed to update their address with HMRC or other agencies).

Christina agreed that HMRC needed to make a balanced decision when looking at these issues and that the CRA pilot was intended to give a better angle on which to base those decisions. The letters used in the pilot had been amended slightly and would be circulated to representatives. Alison Cook would be holding an internal meeting where all comments would be considered and representatives would be notified of the outcome.

Fran Coaker confirmed that the call scripts were the same as those previously issued and Victoria said she would send comments related to those. Victoria stressed the main point for HMRC to bear in mind was that decisions would mean the whole claim being stopped, rather than just an individual element. As appeals can take four or five months to be heard and Compliance blocked any new single claims, this potentially leaves vulnerable customers with little or no income during that time. It was therefore crucial that decisions were not taken lightly in these circumstances. Victoria reiterated that compliance decisions had been reversed in cases which she had taken forward but that people would not always have representation to assist with this.

Beth Lakhani agreed that there was a 'grey' area where definitions around undeclared partners were concerned, even between different government departments. There were other scenarios to consider such as what point a separation became permanent. She considered the nature of provisions did not always adequately cover real life circumstances.

Christina acknowledged that it could be difficult at the margins and agreed that interaction with appeals did need to be addressed. She said that HMRC took the points raised very seriously and were listening, and confirmed that an assurance review had been initiated. She considered it important to keep dialogue going and make progress, taking into account lessons learned from the small pilot.

Victoria said that a lot of comments had previously been made about the different definition of partner in various HMRC products. The 'definitions' video was another recent example of a product which representatives considered contained technical inaccuracies, for example.

Tamsin Woodeson confirmed that partner definition was one of a number of areas where Cliff Sale's team in B&C Customer Experience was undertaking a review to ensure consistency of products. Christina suggested that Cliff could possibly attend a future BCCG meeting to report on progress.

Christina clarified that there were a number of different interventions and that under the data matching exercise it would be possible for anyone to be selected. Andrew confirmed that the Error and Fraud meeting to be arranged for late January or early February would be a opportunity to 'stocktake' all the interventions and campaigns, as representatives had requested.

David Skinner then explained that there had been a change to the Tax Credits Claims and Notifications Regs as part of the recent Miscellaneous Amendments package. This would allow customers to withdraw from the tax credits scheme and could also result in significant savings from HMRC not issuing unwanted renewal packs. He said that tax credits customers with 'Nil' awards would be sent an explanatory letter in February 2011 about possible withdrawal from tax credits.

David apologised that representatives had not had the opportunity to comment on the content of the letter in advance of publication. He said that he would arrange for a copy of the letter to be sent to representatives and confirmed that relevant withdrawal guidance and telephone call scripts had been updated. David also confirmed that HMRC would not withdraw tax credits when letters were returned by the Returned Letter Service (RLS). Any

overpayment being recovered from a tax credits award where entitlement ceased would be referred to Debt Management and Banking (DMB) for direct recovery.

Victoria Todd agreed that the opportunity to withdraw from tax credits was good news for some. However, she stressed the importance of customers having all the necessary information to be able to make an informed decision about whether or not to withdraw. She considered it vital that the letter included clear information about the implications of withdrawing from tax credits, such as potential losses if the customer's income falls, for example.

David Skinner confirmed with Beth Lakhani that HMRC would be revisiting the issue of notifying changes of circumstance to an 'approved' office and whether DWP should fall within the definition of an approved office.

David continued by detailing the change which would allow HMRC to override a customer's request to alter their tax credits payment frequency. This would be where there was evidence of attempted manipulation to gain additional payments of tax credits which wouldn't be recovered until a much later date. David said that HMRC had seen some extreme examples of this practice, but clarified that there was no intention to stop genuine change requests and updated guidance would be available for representatives' comments.

Victoria asked if there was a discrepancy between the December Regulations covering the circumstances from April 2011 where a customer was aged 60 or over and Regulation 12 around the second adult element. David said he would check this and report back.

4. Representative issues

Christina said that a number of issues had been put forward. Tell us Once would be covered later in the meeting, a note had been issued about the bulk recalculation exercise and the Miscellaneous Regulations changes had just been discussed.

Related to backdating, Christina apologised for the delay in being able to give an update. She explained that a decision had now been made that the cost of identifying all claims since 2003 was prohibitive and disproportionate in relation to the amounts in relation to individual customers. She acknowledged that it had been a hard decision and that HMRC were considering updating their website with relevant information. She confirmed that HMRC would take a sympathetic view in considering individual requests when received and clarified with Frances Corrie that this would also apply to older awards.

Victoria Todd thought that any reviews related to these circumstances would be considered under Official Error (OE) regulations. She was concerned whether HMRC staff guidance would be strong enough to negate argument and asked which area would deal with backdating requests under OE - Appeals or Disputes.

Christina said that she would check with Operations and ask the BCCG secretariat to send the information to representatives.

John Andrews had raised concerns about joined up interventions. John was at another meeting today, but Victoria explained that his concern was about the interaction between different Government departments. For example, were DWP automatically informed of HMRC interventions? Could HMRC decisions have an impact on DWP and vice versa, for example, even though there are differences in the rules between 'living together' or married couples/living with a partner? Christina said HMRC would check the processes for sharing information and arrange for the details to be sent to representatives.

Beth Lakhani said that circumstances in which one partner was serving a prison sentence was another complex area where a decision might differ between HMRC and DWP. Frances Corrie added that even certain decisions within HMRC might vary as failure to declare income for tax purposes and tax credits could be treated differently, for example. Beth accepted that different regimes within HMRC would deal with tax and tax credits issues. However, she said it was confusing to have different definitions between Government departments on the same issue and thought that the introduction of Universal Credit could provide an opportunity for unification.

Roger Pugh added that any information sent to DWP by HMRC would be taken into account, but DWP regulations would dictate DWP decisions. He agreed that it would be useful for DWP to be represented at the forthcoming Error and Fraud meeting with Andy Farrar to take views from both sides into account.

5. Tell us Once

Alli Lyons is the B&C rep on the Tell us Once, cross Government Project. Alli said that she would give a general update and answer any specific questions on the subject of Tell us Once, as well as talking the group through the proposed baseline process. She explained that it was a joined-up Government initiative with the aim of customers only having to report births or deaths to Government once.

There was a B&C team dealing with the bereavement side of the process. However, the main focus within B&C was for the birth of a child, giving quick and easy access to Child Benefit and, if appropriate, tax credits.

Alli confirmed that the Tell us Once pilot had been in place for some time, with four Local Authorities (LAs) signed up to deliver the birth service. A major 'roll out' was due to start in April or May 2011 when the IT solution would be in place. 342 LAs had signed up for the service, even though they were not mandated to use it. It was acknowledged that current austerity measures could impact the ability to deliver, but LAs were still keen to be involved because of the benefits to customers.

Alli said that the business process would be signed off and that the model was adaptable for different customer groups if required. The aim was to get tax credits awards into payment quickly by use of a dedicated telephone service and current volumetrics indicated two to three days after the initial telephone call.

Alli said that discussions about future staffing resources were taking place with Operations. She confirmed that the dedicated telephone line was live and that calls to it were recorded and available if required. The telephone line was operated by B&C staff with experience in different work areas in the Tax Credit Office (TCO).

The question of allowing registrars to hold and give out tax credits claim forms had been raised previously. Experience had shown that telephone claims were quicker into payment and so HMRC preferred this route for more vulnerable customers coming off subsistence benefits.

Victoria replied that she thought John's point related to people who didn't qualify for the dedicated telephone line but who would be referred to the main tax credits helpline to request a claim form. John considered it would be a better service for the registrar to give out a claim form if appropriate. Alli acknowledged the point and said she would take it away to consider and arrange for a response to be sent to representatives.

Victoria asked for clarification about which groups qualified for the fast track service. Alli replied that people in receipt of Income Support, Jobseeker's Allowance and Employment and Support Allowance would qualify. Customers who didn't qualify for the fast track service were given an information leaflet. Alli agreed to check Victoria's point about whether the qualifying benefit had to be income-based as the information leaflet wasn't specific.

Victoria asked if customers were protected if the Tell us Once service failed - tax credits legislation was clear that changes must be reported. She considered this aspect was more relevant to the bereavement side of the process because of potential overpayments. Alli said that it was still the customers' responsibility to report changes and that this service was intended to make things easier for them. Alli confirmed that information would be sent to the relevant parts of DWP and HMRC. She said that she would check if there was a link to Sure Start Maternity Grant (SSMG) in response to a question from Jane Hayball.

Christina thanked Alli for her presentation. Alli was moving to a new role and so Shelagh Brown would be taking over responsibility for Tell us Once.

6. Transparency consultation

Kevin Reid explained that he was working for HMRC on the Transparency Agenda informal consultation exercise and gave some background information. He said that the Transparency Agenda formed a key part of Government policy related to the greater release of public data. The three objectives were to:

- enable the public to hold politicians and public bodies to account
- help reduce the deficit and deliver better value for money in public spending
- realise significant economic benefits by enabling businesses and non-profit organisations to build innovative applications and websites using public data

Kevin said that in keeping with the objectives, HMRC's Business Plan for 2011-15 contained a significant section setting out HMRC's draft commitments on transparency. The broad outline of the plan dealt with:

- HMRC's general position on Transparency and supporting Information Strategy
- specific indicators relating to inputs and impacts, from which performance can be assessed
- a range of other specified data to be published

Kevin added that data already published by HMRC as part of the Transparency Agenda could be found on the main HMRC website's [Transparency webpage](#). He emphasised that the Transparency part of the plan was in draft form and it was an opportunity for stakeholders to comment. He agreed to send representatives the key links that supported the Transparency agenda item.

Kevin confirmed that there were no preconceived ideas about specific data at this stage. It was a developing situation and all comments and suggestions were welcome. As an example, were there any ideas around the performance indicators? Were they correct and relevant?

Beth Lakhani suggested that data around specific benefit take up would be useful - to help identify the extent of 'underclaiming'. She also considered that costs related to staff training would be of great interest in the light of repeated issues around the quality of advice being given.

Jane Hayball said that data on the numbers and categories of appeals and how they were settled would also be useful information.

Frances Corrie pointed out that initial information was at a very high level and phrased in Government terminology. It would be encouraging to see specific service level details.

Kevin said that all thoughts and comments were appreciated. He confirmed that the deadline for comments was 31 January and encouraged representatives to use the links to the website and send in any more thoughts or suggestions they may have.

Christina said she thought it was very positive that such openness was being promoted - it was already part of the strategy in the BCCG. Pacesetter and performance meetings now formed a key part of B&C strategy, and it may be that external representatives might want to request similar data and volumetrics as part of the Transparency agenda.

Kevin said that the Official Statistics Code of Practice needed to be considered - if data was designated Official Statistics then care needed to be taken with respect to restricting 'pre-release access' to that data. He would check the position and get back with a response.

Christina acknowledged Frances Corrie's suggestion that the costs to a Government department of 'putting things right' after a mistake would also be useful information. Kevin added that the cost of collecting taxes was included in the Transparency section of the HMRC Business plan (the 'input indicators').

Christina thanked Kevin and the group for their input and said it provided a good lead in to the next agenda item, Big Society.

7. Big Society

Ann Marie Earwaker explained that as a concept, Big Society linked a great deal more than just Government departments and the voluntary sector. She said that the Benefits and Credits Leadership Team was considering how much activity would be appropriate for B&C and what the substance of that activity would be. At the end of her presentation, representatives' comments and thoughts would be invited on:

- possible activities/pilots
- how far and fast to move
- any major risks
- who to involve

Ann Marie said that much was wrapped up in a quote from the Prime Minister's speech in Liverpool on 19 July 2010 - 'The Big Society is about a huge culture change, where people, in their everyday lives, in their homes, neighbourhoods and workplace, don't always turn to officials or Government for answers to the problems they face, but instead feel both free and powerful enough to help themselves and their own communities'.

In brief, the Prime Minister's vision of Big Society encompassed three strands.

Community empowerment - gives local councils and neighbourhoods more power to take decisions and shape their area.

Social action – encourages and enables people to play a more active part in society.

Opening up public services – reforms our public services to enable the community and voluntary sector, private sector and employee-owned co-operatives to compete to offer people high quality services.

Ann Marie said the Government was still developing its policy for achieving public service reform. This meant that to achieve the changes represented by business performance challenges over the coming years, B&C would need to consider reforming the way customer outcomes were achieved. Big society needed collaboration between the different players – Government, the community and voluntary private and public sector and citizens. A more holistic approach was required with regard to customer initiatives and citizens being empowered to make the right choices.

Ann Marie detailed some current HMRC activities consistent with Big Society. Community Empowerment, for example, included HR policies such as the staff volunteering programme where HMRC were being considered by Cabinet Office as a model for Big Society. Other activities in this strand included voluntary public duties, work in schools, charitable giving by HMRC people and the support of organisations such as Princes Trust.

Activities under the social action strand included focused support through Grant in Aid, joint work and interchange opportunities with the Charitable and Voluntary sector and support of the sector through the Unpaid Agents' Strategy.

Engagement with the community through close partnerships – this BCCG forum for example – and the Transparency Agenda were examples falling under the Opening up Public Services strand.

Ann Marie emphasised HMRC's awareness of Universal Credit and confirmed ongoing meetings with DWP to consider their approach and consider the strategy for joined up working. She then outlined the B&C challenges in the context of considering Big Society options.

Resources would be cut during the SR period and priority work areas included Error and Fraud initiatives and the joint strategy with DWP for reducing error and fraud.

The introduction of Universal Credits, Real Time Information and taper changes to tax credits would result in a significant period of change for customers. The number of customers falling into the 'Needs help' category would increase and it was reasonable to anticipate that customers would need assistance in the transition to Universal Credit. The challenge would be to maintain customer experience in the light of reduced resources and ongoing redesign of the Enquiry Centre network. Debt reduction also remained a challenge with new future debt expected to be higher than forecast.

Ann Marie continued by outlining possible options for activities B&C could take forward under the three strands. Under Community Empowerment, people exchange opportunities could be considered – with the possibility of expanding volunteering/secondment opportunities. This could include secondments into B&C to develop customer understanding.

Under Social Action, private sector dialogue could be developed with consideration being given to having representation from the private/voluntary sector and DWP on the Benefits and Credits Leadership Team. Different service models/service providers could be identified and considered whilst maintaining protection for vulnerable customers. In the area of funding, consortia between the Community/Voluntary sector and private sector could be encouraged or agreements that customers paid for services above an agreed level.

Activities to be considered under the Opening up of Public Services included the sharing of management data with trusted organisations and possible open access to Rules Based decision making guidance. Performance data could be published or made more accessible and steps taken to establish what data people wanted access to, such as outlined earlier in the meeting.

The questions to be considered included:

- What are your ideas for pilots and activities to develop?
- How far and fast is it appropriate to move?
- What do you see as the major risks?
- Who should we involve in ongoing dialogues?

Christina thanked Ann Marie for her presentation and asked the group for their initial thoughts or reactions.

Beth Lakhani considered that Big Society was being introduced at a difficult time for the voluntary sector as regards funding and resources. This was a key factor, as without appropriate funding, the level and expertise required may not be available. She considered it would be a very arbitrary system with many customers losing out on expert advice. For example, in the 1960s Citizens Advice Bureaux primarily gave information, not advice, and there was no representation provided for customers. She questioned whose 'voice' would be heard in a residential group, for example, which consisted of both middle class and working class members. It was likely that only middle class members would speak up. She considered that for Big Society to be effective it needed time, skill and respect for individuals - personal interaction was crucial. She said she therefore remained sceptical about the concept.

Christina thanked Beth for her thoughts and acknowledged that there were no easy answers at this stage. Possibilities could include the voluntary sector targeting ex public sector workers to assist them or developing working relationships with the private sector to aid funding. Another possibility was more pilots of the kind currently ongoing between HMRC and the Low Incomes Tax Reform Group (LITRG). Key factors were the identification of good concepts and opportunities for working together.

This was a good lead in to Grant in Aid and Christina introduced Sean Griffin from HMRC's Individuals Customer Directorate to give a short presentation on this topic.

Sean said that the grant programme for 2011-15 had just been announced and that it was an important part of HMRC commitment to Big Society. Elements of Big Society were already part of HMRC's approach, for example, the commitment to working with the third sector. He stressed that Big Society was about generational change, some of which would take several years to accomplish.

He confirmed yearly funding of £2,000,000 over the next four years and said that details had been published on the HMRC website that day. He said that organisations could apply for multi-year funding but it would be restricted to larger groups with a national reach. Smaller more local organisations would need to form a consortium to meet the criteria. He explained that there were three categories for applications:

- advice and support – telephone or face to face, for example
- capacity building – for example training other organisations/mentoring
- efficiency, productivity and innovation

Applications were invited and the deadline was 9 March 2011 with the results announced and money going out from 12 May 2011.

Christina thanked Sean for his presentation on funding and said that now was the time for bids from organisations with ideas for assisting customers in the 'Needs Help' category.

8. Operational update

Irenka Timlin said that she would be attending the BCCG meeting on a regular basis to give the operational update for tax credits and Child Benefit and to handle related queries. She confirmed with Jane Hayball that she would arrange for details of today's update to be sent to representatives electronically.

Child Benefit: Pre-Christmas was a busy time of year in Child Benefit with customers anxious to receive their payments before Christmas. Efforts were successfully focused on this aspect. Performance to put new claims into payment was ahead of target in the year to date. It had been more difficult with changes of circumstances but priority was given to payment related changes to minimise the impact for customers.

B&C were undertaking a major piece of work to better align the tax credits and Child Benefit side of the business. The objective was to speed up the process and ease the burden for international customers by ensuring evidence was only requested once. The first step was to set up a combined Document Verification Team to review and maintain a record of all relevant information seen.

In response to Christina's request for questions, Victoria Todd asked if the Child Benefit Intermediaries' telephone line was staffed by a separate team as was the case with tax credits. Irenka said she would check and get back with the answer.

Frances Corrie asked if there was any way the Home Office could be involved in the new document alignment process. Irenka said she would look into this.

Relating to international claims, Jane Hayball asked about average timescales for EU countries to respond to requests. Irenka explained that requests could be dealt with in different regions of some countries as they may not have centralised provision of family benefits. Jane explained it was about managing customers' expectations as people were often just told it could take 'up to six months'.

Tamsin Woodeson said that the new Electronic Exchange of Information system which was to be introduced for EU countries should help with this. Andrew Burland said he would look into the position with colleagues and provide an update. Tamsin said she would also make sure that Gary Moore in Customer Experience was made aware of the issue.

Tax credits - pre-award: work on hand in this area was below predictions for the time of year, giving the business flexibility to react to any peaks of work or address any areas of concern. In November 2010, a build up of 'referred' cases had meant tax credits claims were not visible to Contact Centre advisers. The issue was resolved and a new reporting mechanism introduced between HMRC and Fujitsu to quickly identify and resolve any future occurrences.

Timeliness targets of getting new claims into payment had proved difficult over the last three months. The impact of the new Error and Fraud strategy of check first then pay was recognised and a project to investigate the way forward had been instigated.

Incapacity Benefit (IB) reassessment was due to 'go live' in March 2011 for people no longer entitled to IB but who qualified for tax credits. HMRC and DWP were working closely to ensure relevant processes were in place for the 'go live' date.

Victoria Todd asked for clarification of the time taken to get claims into payment. Irenka said that current figures may have been impacted by the number of 'referred' cases. Tamsin Woodeson acknowledged that timeliness was a cause for concern. However, this was almost cleared and a useful exercise conducted had focused on a number of issues - payment scheduling for example was found to be impacting on timeliness and was being addressed. Tamsin confirmed that there were no known delays at Nethererton where tax credit claims are received.

Changes: Productivity targets were being exceeded as processes were streamlined. Performance had continued to improve throughout the year and work on hand was now well ahead of forecast. The oldest work was held within the international area.

Customer Service and Support Group (CSSG): appeals intake continued to be high, impacting on the length of time for customers to receive an acknowledgement and the decision. This was expected to be reduced by the end of January 2011. The amount of cases waiting to be progressed to Tribunal had remained fairly constant despite the continued high intake. Progress on the end to end complaints and disputes process and proposals for 'delaying' the process would be addressed at the next BCCG meeting.

Victoria Todd said that appeals were a cause for concern. She emphasised that for clients appealing against a decision to cease or reduce payments, it had proved very difficult. She considered that many appeals were avoidable and was keen to discuss this at a sub-group meeting. Andrew Burland said that HMRC still intended to hold an Appeals sub-group meeting and that Beth Lakhani was due to provide some additional information for this to be arranged.

Christina accepted that there were issues for discussion around appeals and agreed to go ahead with the sub-group ahead of the additional information being provided by Beth. Christina said she would arrange for a nominated person to make the appropriate arrangements.

Post, Correspondence and Payments (PCP): tasks within this area include:

- receipt, sort and distribution of incoming and outgoing post
- validation of large payments
- manual payments
- backdating

The significant amount of post was sorted and distributed to the various B&C teams throughout TCO within 24 hours.

Validation of large payments ensured that the actual tax credits payment was correct and helped to avoid potential overpayments. More work was planned within this area to further improve service.

There had been a significant increase in requests for backdating, due mainly to the inclusion of relevant information on the tax credits claim form.

Irenka said that she would check the current timescales for processing backdating requests and reply to Victoria.

9. Any other business

Victoria Todd asked what was happening about the Disability sub-group that had discussed Employment and Support Allowance and related tax credits issues. Paul Becker confirmed that this was the group chaired by Jonathan Langridge. He would check the current position with Jonathan and get back with an answer.

Victoria asked whether disability information had been removed from the tax credits claim form notes. Andrew Burland said he would check and reply.

Frances Corrie said she had been made aware of a cross-border case where tax credits had been refused to a customer who lived in the Republic of Ireland but who worked in Northern Ireland. She was concerned that problems were still being raised in this area and asked whether correct guidance was available to HMRC staff. Frances agreed with Paul to send details of the individual case for investigation.

Victoria considered that Tax Credit Helpline advisers should not be making decisions on entitlement, yet by refusing to send out claim forms to those who do not appear to be entitled they are effectively doing so. Andrew Burland said he would put this forward as a possible discussion point for the Error and Fraud meeting.

There was no other business and Andrew said that the next meeting would be held on 9 March 2011.