

1/05

Benefits Agency

To:
MR JOHNSON

ci: Secretary of State
Sir Michael Scholar
Mr Macdonald

From:
DAVID SIBBICK
DIRECTOR POSTS
308 Red
151 Buckingham Palace Road

Mr Davis CGBPS
Mrs Britton PORT
Mr Hosker FRM
Mr Tee NEWS
Ms Johnson Legal C3
Mr Brebner PORT
Mr Leese PORT
Mr Whitehead CGBPS 1
Mrs Wright CGBPS1
Mr Halls CGBPS 2
Ms Madson NEWS
Mr Robinson NEWS
Ms Anderson CGBPS1
Mr Corry SpAdv
Ms Moore SpAdv

Tel: **GRO**
Fax:

24 November 1999

10-12. *[Handwritten signature]* 10/12 *[Handwritten signature]* 10/12 *[Handwritten signature]*

GRO

POST OFFICE: BA MAILSHOT ON CHILD BENEFIT ALLOWANCES

Issue

1. Follow up action on the Benefits Agency mailshot on child benefit allowances.

Recommendation

2. That you should write to Mr Rooker following his return visit to the Horizon Working Group (HWG) on 15 November in the terms of the attached draft, copying your letter to members of the HWG.

Timing

3. You should write if possible before the weekend so that your letter can be circulated before the next meeting of the HWG, scheduled for 1 December.

Background

4. Following Mr Rooker's return visit to the HWG on 15 November, at which he insisted that the child benefit mailshot represented in no sense a departure from well established and accepted DSS/BA policy and practice, we have held further meetings and discussions with BA officials and with the National Federation of Sub-

Postmasters. We still do not have all the answers. Thus despite asking the question several times of BA officials we still do not know whether the BA mailshot went to weekly paid child benefit recipients who are paid by ACT (assuming that there are some, though this remains unclear). BA officials told us categorically at one point that the mailshot had only gone to benefit recipients who are paid weekly by order book at post offices. But it surely cannot be the case that beneficiaries who have elected to be paid by ACT will continue to be paid weekly whether or not their circumstances still justify it, whilst their counterparts who elected to be paid by order book are being moved to monthly payment. A second question relates to those whose child benefit pre-dates the change of policy on periodicity in 1982. We know from anecdotal evidence that at least some in that category who are paid weekly by order book did not receive the BA mailshot. One possible explanation is that they were given reserved rights in 1982 to continue with weekly payment, and that those reserved rights are still honoured.

5. We will continue to press for answers to these questions, but they are unlikely to affect the fundamental issues which can perhaps best be summarised as follows:

- We have found no reason to challenge Jeff Rooker's statement that DSS/BA policy on payment periodicity has remained unchanged since 1982. It is that child benefit allowances are paid at four-weekly intervals except where claimants fall into one of a small number of tightly defined categories such as those in receipt of income support.
- Jeff Rooker is equally correct in stating that the wording relating to ACT on the recent mailshot is entirely in line with that used repeatedly on BA forms and leaflets for some years now.
- Where however he can be challenged is that on every BA form, leaflet and mailshot that we and the NFSP have been able to unearth, whether aimed at new claimants or at existing order book claimants, the wording on ACT options has always been accompanied by a clear statement that payment by order book at post offices is or remains an option. The NFSP are therefore entirely right to claim that the wording on ACT has in the past been accepted only because it was in all cases accompanied by a clear statement that payment by order book is also an option.

6. I do not doubt that the assurance which Jeff Rooker gave to the HWG was made entirely in good faith, but I strongly suspect that his officials had omitted to mention to him that their recent mailshot failed - so far as we can tell for the first time ever - to include any mention of the crucial order book option. It is clear that the omission has misled and upset many recipients of the mailshot. We have told BA officials that we feel strongly that they both owe it to recipients of the mailshot, and to the spirit of their

Secretary of State's assurance to the Trade and Industry Committee, to send a further mailshot to all recipients of the first alerting them to the "ambiguity" in the first mailshot, and setting out clearly the payment options. Whilst they undertook to think further on this, we have heard nothing further from them.

Conclusion

7. I suggest that you should now write to Mr Rooker setting out the position as we see it, and urging him to agree that BA should urgently send out a further mailshot. An alternative, though less satisfactory, solution would be for BA and POCL to agree on the terms of a poster/leaflet that could be displayed prominently in all post offices. This would remind child benefit recipients that they continue to enjoy the right to be paid by order book at post offices whether their payments are on a weekly or a monthly basis. Finally, it would be useful to remind Mr Rooker that if BA had consulted - or even informed - POCL about the mailshot in advance, the present difficulties might have been avoided, and the relationship between the two parties strengthened rather than damaged.

DAVID SIBBICK