

**EXPLANATORY MEMORANDUM RELATING TO THE
TAX CREDITS (PROVISION OF INFORMATION) (FUNCTION RELATING TO
EMPLOYMENT AND TRAINING) REGULATIONS 2005**

2005 No. 66

1. This explanatory memorandum has been prepared by the Commissioners of Inland Revenue and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Description

2.1. These regulations prescribe a function relating to employment and training for which the Inland Revenue may provide information relating to tax credits, child benefit or guardian's allowance to the Department for Work and Pensions (DWP) and the Department for Employment and Learning (DEL) in Northern Ireland.

2.2. These regulations state that information may be provided for the purposes of evaluation or research relating to the employment and training programmes administered by the DWP and in Northern Ireland the DEL

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1. None.

4. Legislative Background

4.1. Paragraph 5 of Schedule 5 to the Tax Credits Act 2002 provides that information held by

- the Board of Inland Revenue for the purposes of functions relating to tax credits, child benefit or guardian's allowance or by
- a person providing services to the Board in connection with the provision of those services

may be provided by the Inland Revenue to

- the DWP or the DEL in Northern Ireland or
 - a person providing services to those departments
- for the purposes of such functions relating to employment or training as may be prescribed.

5. Extent

5.1. This instrument applies to all of the United Kingdom.

6. European Commission on Human Rights

6.1. Not applicable

7. Policy Background

- 7.1. It is policy to provide information to other government departments in accordance with the statutory gateways where to do so
- does not adversely affect the work of the Inland Revenue,
 - makes economic sense and
 - provides joined up government.
- 7.2 The DWP and DEL have asked to be allowed to use tax credits, child benefit and guardians allowance claimant information to enable them to undertake evaluation and research in relation to the employment and training programmes they administer.
- 7.3. This in turn will enable the Departments to appreciate how the employment and training programmes are continuing to interact with the tax credits, and social security benefits systems and inform the development of the policies relating to existing or new programmes.
- 7.4. The DWP already accesses tax credits, child benefit and guardians allowance information
- To enable Jobcentreplus offices to provide services for the Inland Revenue - per paragraph 1 Schedule 5 Tax Credits Act 2002
 - For the purposes of social security functions – per paragraph 4 Schedule 5 Tax Credits Act 2002 and
 - For the operation of the Employment Retention and Advancement Scheme – per Statutory Instrument 2003 No.2014 the “Tax Credits (Provision of Information) (Function Relating to Employment and Training) Regulations 2003”.
- 7.5. Essentially these new Regulations will authorise the DWP to use for the purposes of its evaluation and research, tax credit, child benefit and guardians allowance information that it already accesses for other purposes, so there will be minimal impact on Inland Revenue resources.
- 7.6. The DWP currently wish to evaluate the following employment and training programmes
- New Deal for Young People
 - New Deal for those 25 and over
 - New Deal for Older People (50 plus)
 - New Deal for Lone Parents
 - New Deal for Partners of Unemployed both current and future
 - New Deal for Disabled People
 - Basic skills provision
 - Minority Ethnic Outreach
 - Employment Zones
 - Work Based Learning for Adults
 - Action teams
 - New Deal for Lone Parents and New Deal for Partners Outreach Service
 - New Deal musicians

New Deal innovation fund
Incapacity Benefit reform including Workstep, Access to Work
Workstep

Access-to-Work

Step-up

Job Retention and Rehabilitation Pilot

Employment Retention and Advancement

Working Neighbourhood Pilots

New Deal 50+ mandatory Intensive Activity Pilots

50+ Outreach

Pathways-to-Work

personal capability assessment

work-focused interview (whether mandatory or voluntary)

an employment programme or training scheme under regulation 75 of the

Jobseeker's Allowance Regulations 1996

attendance with an employment officer regarding availability for employment or
actively seeking employment

- 7.7. Given the large number of programmes currently operated by the DWP the new regulations have been drafted without referring to the names of the programmes so as to avoid the need for new regulations each time a new programme is introduced.

8. Impact

- 8.1. A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

9. Contact

Alan Wood at the Inland Revenue [tel: 020 7147 2399 or e-mail:
Alan.J.Wood@ir.gsi.gov.uk] can answer any queries regarding the instrument.