



# Work and Pensions Committee

## Oral evidence: The Work of the Secretary of State for Work and Pensions, HC 549

Wednesday 30 November 2022

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Members present: Sir Stephen Timms (Chair); Debbie Abrahams; Shaun Bailey; Siobhan Baillie; Nigel Mills; Selaine Saxby; Chris Stephens; Sir Desmond Swayne.

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### Witnesses

**I:** Rt Hon Mel Stride MP, Secretary of State for Work and Pensions; and Peter Schofield, Permanent Secretary, Department for Work and Pensions.

### Examination of witnesses

Witnesses: Rt Hon Mel Stride MP and Peter Schofield.

Q1 **Chair:** I will begin by asking you to set out the priorities for the Department as you see them.

**Mel Stride:** Good morning and thank you very much for those kind words, Chair. Having chaired a Select Committee for three years, I am fully apprised of the value of the important work that they carry out and my sincere hope is that over the coming months we will forge a close and productive working relationship. That is the spirit in which I enter into this.

As to your question, there are many objectives but perhaps I can focus on three. The first of those is to support the most vulnerable. We are clearly, as an economy, going through very difficult times—not uniquely, of course; this is happening to countries throughout the world—and we have a particular duty now to focus on those most in need as we go through these difficult times. You will have seen that reflected in the announcement that the Chancellor made in the autumn statement about the uprating of benefits and the state pension, standing by the triple lock and, importantly, uprating the benefit cap, which as you know was reduced in 2016 and held in cash terms since then. I had some fairly



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strong views on that, as I know the Committee has had in the past. Then there are the various cost of living payments that the Department is very pleased to administer, I think fairly efficiently, by and large. The most vulnerable are a key focus for me.

Secondly, clearly the core function of the Department is to get people back into work. We believe that work is the best way out of poverty and has all sorts of important strengths in many different ways. In-work progression is also a key focus. I will be focusing very much on the various interventions and programmes that the Department is running, but also a renewed focus on economic inactivity. The Chancellor in the autumn statement pointed out that the Prime Minister has asked me to look into this in some detail and to report back early in the new year. I will have a lot more to say and the Committee might want to have me back at that point to look at that in a little more detail.

**Chair:** We are expecting you back early in the new year to talk about the Department's annual accounts.

**Mel Stride:** That might be a good opportunity if we are far enough advanced in that work, absolutely.

The third objective that I want to highlight is fraud. The quid pro quo for being a compassionate society and looking after the most vulnerable is that we should have zero tolerance of those who seek to abuse the system. By zero tolerance I mean not just for the organised crime end of things, of which there is plenty, particularly as emerged through the pandemic, but also those who, frankly, seek to abuse the system, even if it is in a smaller way. The view I take is that every pound that is not available because it is being fraudulently obtained is a pound less that we have available to look after those who need it the most. I take that very seriously and I have no doubt that we will come on to that in the session.

I will make two other points that I think might inform the Committee of my approach to the Department. One is on innovation. I am very aware that we are going into much more difficult times going forward with the financial pressures that the Department will be under, not least because at the time of the last spending review the assumptions around inflation were much lower than has come to pass, and also because of what is likely to be happening in the labour market over the next year or so and upward pressure on unemployment.

For those two reasons I think it is additionally important now that we examine everything we do and that we do not simply work on the assumption that because we have done it in the past we should just scale it up if there is more of a problem in a particular area. We should fundamentally look at the way in which we operate to drive efficiencies across the Department, with a view to helping more of the vulnerable people I referred to earlier.



The second thing is evaluation. I am very conscious of the twin factors, when you look at some of the interventions that the Department has been involved in, of correlation versus coincidence. We can point to schemes that on first blush appear to have been incredibly successful. It may be, and probably is, that in part at least those schemes and interventions have driven that success. It may also be coincidence in the sense that the economy has been in a position where we have had a very tight labour market and employers have been falling over themselves to try to recruit people, and in that environment many schemes would have been successful whether they had existed or not. I think it is important to have an honest appraisal of everything that we are doing as well as appraising everything that we do.

**Q2 Chair:** We will come back to a number of those points in the course of the meeting. When you undertake an evaluation of that kind, is it your intention generally to publish the evaluation?

**Mel Stride:** I am very aware of the discussion and sometimes quite robust exchanges with my predecessors on this point, Chair. I see it like this. One way of looking at it is that the more transparency there is, the better. It informs public debate and allows a feedback loop for the Department. It is all part of holding us to account and that is extremely important, hence the alacrity with which I have accepted your invitation to appear today.

At the same time, there is some information—not always but typically generated internally—which is there for the purposes of developing policy, for example. Ministers and officials need what is often termed a safe space in which to have those deliberations, consider data, look at surveys and so on.

I take the view that I should look case by case and apply those two metrics as to where it falls within that broad spectrum. In general terms I am more minded to be transparent than not but the point about safe spaces is extremely important.

**Chair:** That is an encouraging response. Thank you.

**Q3 Nigel Mills:** You have given us quite a lot of challenges for your Department, Secretary of State. After a few weeks in the job, how do you rate the Department's performance?

**Mel Stride:** One of my predecessors gave it an eight out of 10 at the beginning of her time and then you asked her in the session on 8 December last year what she would score it then and I think she notched it up a bit. It is early days. I have been in post for only a few weeks. My initial observations are a Department that is very large and is probably not used to being particularly nimble in some areas. On the innovation that I have already raised, there is probably room for us to push further in that direction. None the less, it is a Department that is staffed by people—particularly our work coaches—who really want to do the right



thing. They want to get people into work, get people out of poverty and support the most vulnerable, and that has come through to me loud and clear.

It is also a Department that, while it has had criticism, some of which has come from this Committee, about backlogs, late payments, hard edges to policies and so on, we must not get away from the fact that it is administering tens of millions of payments to people who need them, seamlessly and without comment, day in and day out.

I will go roughly with where Thérèse was when she answered that question when she appeared before the Committee as Secretary of State, probably about an eight out of 10, but I intend to see it rising up towards 10.

**Nigel Mills:** That is your ambition for your time in office, however long that might be.

**Mel Stride:** That is my ambition, yes.

Q4 **Nigel Mills:** You have had three years of holding the Treasury to account. Do you think you are up for battles with the Treasury in this job? Clearly the way you can be compassionate and help people depends on how much money the Treasury will allow you to have. Are you expecting a frank and robust relationship with the Treasury? Or are you going to be trying to keep them happy?

**Mel Stride:** I think constructive is the word I would use, Nigel. To be sympathetic to the Treasury—very few people are in life—they are the custodians of the public finance.

**Nigel Mills:** You were there once.

**Mel Stride:** I was there once so I feel fairly strongly about it. They are the custodians of the public finance. They have the tough job of having to say no, and nine times out of 10 probably quite rightly so. But I think we can have the kind of engagement going forward that we had around the time of the autumn statement and the negotiations on uplift. We had a number of very frank discussions in which we had to press our case very firmly, particularly around the benefit cap and one or two other areas, and I think we got there. We did not get everything that we wanted on every count but we got there, by and large.

Q5 **Nigel Mills:** What didn't you get?

**Mel Stride:** It might be slightly invidious to go into the granular detail of those discussions but clearly—you will probably come on to some of these—there are areas where we have not updated and indeed there are areas that have not been updated for some time that remain not updated. There are reasons and arguments as to why that might be justifiable, but clearly from my point of view I wanted to get the maximum that I could for the Department, and I think we did pretty well, by and large.



When you approach the Treasury, if you go to them and say, "There is a big problem here. We have adopted this approach in the past that may have required, say, 5,000 work coaches to address it and it is now a much bigger problem, which we are not doing a huge amount about, by the way, and our solution is to take on another 5,000 people to address the bigger problem," you can expect to be shot down pretty quickly. But to go to my earlier comment, if you go to them and say, "There is a growing problem here. We have a plan to get on top of it that we think is realistic, this is what it looks like and we are re-engineering the way we approach that problem, so we are going to be innovative and much more efficient in the way that we deal with it," you will get a better hearing.

There are some areas where we can go to the Treasury and seek further resources and perhaps demonstrate that there might be scorecard savings to the Treasury. Of course, that is extremely important in the context of future fiscal events where the Chancellor will want to have more room for manoeuvre to maybe lighten the tax burden—who knows? Those are the things that are foremost in my mind when I think of the Treasury.

**Q6 Nigel Mills:** Are there any issues that keep you awake at night—that make you think, "Oh God, if this goes wrong it could be a complete disaster"? Has anything come out of your early briefings?

**Mel Stride:** If you say complete disaster, what that might conjure up as I was tossing and turning in my sleep would be some kind of fundamental breakdown of the systems within the Department. We have 20 million people who are dependent on my Department for receiving money where it matters whether they get it on the Monday rather than on the Thursday in a way that you and I can't personally directly conceive of. I suppose anything that fundamentally put that at risk would be in the catastrophic bracket.

There are very robust contingencies within the Department for issues of cyber-security and also a resilience against industrial action, for example. I made it an early priority to sit down with officials to look through those issues with them. The main thing that I would think about was if our whole system were for some reason to grind to a halt.

**Q7 Nigel Mills:** Can I ask you quickly about the review that the Prime Minister has asked for early in the new year? Does early in the new year mean before Parliament comes back? Or does it mean Easter?

**Mel Stride:** It would mean after Parliament returns on 9 January or thereabouts. It could be January or possibly February, probably in good time for the spring statement. Clearly some of the conclusions that we might come to and some of the measures that we may recommend may or may not then feature in the spring statement.

**Q8 Nigel Mills:** Do you think you will be making this review public? You have offered to come and talk to us about it. It may be a bit tricky if we do not



know what you have said. Are you publishing anything on the outcome of this review?

**Mel Stride:** It is not a formal review in the sense of some external individuals—in this case I have been tasked to do this—conduct a review and then there is a formal process and a published document at the end of it, but I do intend to be very open and transparent with my findings and my thoughts, not least because it will be a work in progress and I will want to share that kind of work. It is quite possible that some of it—some thoughts—may be shared before the new year. I certainly intend to have roundtables with businesses. I want to have a panel of individuals who will assist in developing some of the ideas and that is being stood up at the moment. This is not an ivory-tower exercise; it is very much an inclusive approach.

Q9 **Nigel Mills:** Are you planning to set any targets for your Department or the Government as a whole for getting the participation gap down? Is that the way you think you will be trying to drive change?

**Mel Stride:** It is conceivable. The Department has some targets, or certainly monitors various metrics. You will be familiar with the disability employment gap, for example, that we focus on and that is one measure of how—

**Nigel Mills:** It is drifting the wrong way again now.

**Mel Stride:** Very recently, I think the last figure was 29-point-something per cent. but it was up over 30% a little while ago. We can come on to disability and the progress we have made there, but that is an example of a very useful metric. I suspect there will be some targets on economic inactivity. I cannot say at this stage exactly what they will be. I am a believer generally that what gets measured tends to get done, so there is an overarching case for that form of accountability.

Q10 **Nigel Mills:** We are in the middle of a huge cost of living crisis. If there are people who are able to work but choosing not to and they do not feel inclined to change their minds, having seen inflation hit 10%, what levers can you pull to convince people in that situation that they really want to be in work?

**Mel Stride:** We are now getting into the territory—let's do that. There are 9 million people who are economically inactive in the UK. They broadly split down into four groups, one of which is the over-50s who have retired early. There are a couple of things about them. Their nature is that which you have just described. This might be somebody who is asset rich, they have reached the time of their life where they have ceased to be the mouse on the wheel during the pandemic, stepped out of the workplace and quite fancy staying there and feel that they are well resourced enough to remain economically inactive. The approach to that group is clearly very different to somebody who is in one of the other groups, particularly the long-term sick, who may have all sorts of serious barriers to getting back to work. It is not a choice in the same sense.



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The approach to those two groups may be very different. The approach to the 50-plus might be at least to engage with that group and say, "Are you sure your calculations are correct?" We have the mid-life MOT that we run at the moment, or a variation on that. If you were born in 1971, you have a 50% chance of being alive and healthy aged 100. That is an extraordinary statistic. If I am 55 or 57 or whatever and I think that I have everything set up for the rest of life, is that a rational judgment given the facts? It might be that interventions of that nature are important with that group. There could be other incentives to coming back into work—flexible engagement with work is probably important to that group.

For those who are long-term sick, we have to work with the Health Department and employers and look at occupational health and very different approaches. The answer to your question is that it depends which group you are looking at and we have to find different solutions for the different cohorts.

**Q11 Siobhan Baillie:** We heard evidence from Tony Wilson in recent weeks and one of the suggestions that he made—he was trying to give us some practical suggestions—was that the Restart programme could be tweaked to specifically refer to over-50s who have stepped away from the workforce and have had health issues. Are you looking at where there are underspends in programmes as part of your review and whether there can be quick wins, effectively, with the funding envelope that you have already?

**Mel Stride:** Yes. Clearly if there is an underspend in one area there is more resource that potentially may be available, subject to it not being ring-fenced. You used the expression "quick wins", which is important; perhaps I should have added that to the list of themes that I developed at the beginning. I am very keen to make progress quickly because a lot of these schemes take a long time to stand up, work out the details, test, assess, roll out and so on. We have to get round that loop much more quickly, and 80:20-ing and piloting at a subset of jobcentres and seeing what happens will be an important part of that.

On the over-50s, Peter, do you have any comments on the Restart scheme and ideas on that?

**Peter Schofield:** Yes, absolutely. Restart is an example of a contracted employment scheme. The Secretary of State talked earlier about the opportunity for innovation. What we see with Restart and other contracted employment schemes is lots of different things being tried in different areas. We have 12 different provider areas and there is lots of innovation going on. The Restart scheme is focused on those who have been out of work for a decent chunk of time. It was originally set up for 12 months, but within that category you have people in the situation that the Secretary of State described. We are in regular dialogue with our providers and are looking at lots of innovation and things are being tried in different ways. We are definitely listening to that suggestion.



**Mel Stride:** That throws up another interesting aspect to this. I referred earlier to four different cohorts within this economically inactive group and students and carers are the other two. But if you take the over-50s and you ask the question, what are the primary reasons why the over-50s are economically inactive? One of them is health, which is one of other cohorts. There is a piece of work that we are doing right now which is: what is the best definition of the different cohorts for how you then seek to address them? Do you see over-50-year-old people who happen to have health conditions as part of the health cohort or do you see them in the 50-plus group? There are overlaps between the different groups.

**Peter Schofield:** To add one other point, we have talked about the review process but the other thing to get across is that there is action going on in the here and now. Up and down the country, week in, week out, jobcentres are holding jobs fairs for the over-50s and other groups. It is tremendous to see what is going on there. The Secretary of State talked about our work coaches and the way they can get alongside people who may have been out of the labour market for some time or maybe they have lost confidence because they had been in a job for a long time and that job came to an end. They don't have the confidence to try for another job in a different sector. It has been wonderful seeing work coaches with employers in jobcentres coming together in jobs fairs and seeing some amazing outcomes and people's lives being changed.

There is work going on in developing proposals, but also I wanted to get across the fact that there is work going on with delivery in the here and now, week in, week out.

Q12 **Sir Desmond Swayne:** Picking up on the last point about the health of the relatively older part of the workforce who are not working, I am sceptical. I received some data from Phoenix Insights, which is a group that represents the views of the elderly workforce, and its polling showed that of the 50 to 64-year-olds who have left the workforce since the pandemic, only 16% gave long-term sickness or disability as the reason for doing so; 70% said they just didn't want to work any longer. I noticed in the international statistics they give that we have a much poorer view of work than contemporaries in, say, Germany or the US. In the UK only 58% of workers like their jobs; in the US it is 74% and it is 73% in Germany. There are probably much more fundamental reasons than poor health, which is often given as the main reason for why elderly people do not work.

**Mel Stride:** Yes. Sorry, I may have not stated it clearly enough, but health among the over-50s is a component; it is not the main thing but it is a component. You are absolutely right, Sir Desmond, that there are many who just feel they have stepped out of the workforce, they are comfortable there and they do not want to come back in. That is an additional challenge for the Department because, of course, they typically are not within our perimeter: we are not interfacing with them, they are not claiming benefits and so on.





This is where the work that is being undertaken will have to drill down to the answers. The thing that will matter to that group will be flexibility. You can imagine someone who feels that they are pretty comfortable but maybe after a few months of that they are sitting there thinking, "I would like to do something," and these might be people who typically get involved in charitable enterprises, for example. It might be useful to have flexible offers for them or messaging around that to them. Some suggestions have been made to me—you see this if you look at some of the literature—that the new work environment, which typically involves working from home in certain sectors as much as it does in offices, may present an additional challenge for those in that age bracket with the way that works and the technology and so on. There may be some issues around that.

The other thing that probably is important is that some of them may be mistakenly feeling that they are in a financially secure position that will last them right the way through to the end of their lives. An educational endeavour needs to be undertaken, where that is not the case, to explain that that might not be the case. I refer to my earlier extraordinary statistic, which I had to double-check because it does sound extraordinary, that if you were born in 1971 you have a 50% chance of being healthy enough aged 100. I don't think people think about that time horizon when they are at that particular age.

**Q13 Sir Desmond Swayne:** Moving on to the level of benefits, which we are told have never been lower in real terms for years, notwithstanding the recent uprating and the uprating of the cap. Have you any plans to examine the adequacy of benefits? Or do you share my concern about increasing benefit levels when there are so many vacancies and equally so many people who are on working-age benefits?

**Mel Stride:** It is an ongoing process because the world in which we live is not static but changing all the time. As I suggested earlier, we are likely to go from what is now near record lows of unemployment at 3.6%—I think the lowest since the early 1970s—into what the OBR projects over the next year or so to be going up to 5%-plus. That is clearly quite an increase. The role that benefits will play in a sense will change with the changing terrain, but at the end of the day all benefits are constantly being looked at and assessed and, as you know, they are uprated, typically or otherwise, annually. There is a very rigorous process that I, as Secretary of State, went through in considering the various benefits that were uprated in the autumn statement. That is the framework within which that occurs. Peter, do you have anything to add to that?

**Peter Schofield:** No. It is a robust process that follows the legislative framework. That is the one we went through and that is the one we will go through again this time next year.

**Q14 Sir Desmond Swayne:** We were promised publication of the 2019 review of the benefits cap; when are we going to get it? While you are about it,



can we have this year's review as well? Are you satisfied that the Department is meeting its obligations in the timing and publication of such reviews?

**Mel Stride:** I think, Sir Desmond, this goes back to the Chair's earlier observation and question. I set out then the way in which I see these various reviews or reports or internal considerations and whether they should be made public. On the specific example of the benefit cap evaluation, I am going to review that and take a decision on it, and I probably won't keep you waiting too long on that. I am happy to repeat my earlier comments about how I see it but I will take that decision case by case.

Q15 **Chair:** Can I pick that up? I am encouraged that you are considering that. When the benefit cap was first introduced it was defined in relation to median earnings, rightly, and then it was frozen and then it was reduced, so it lost value. If there is a rationale for the level at which the benefit cap is now being set, it would be quite important for everybody to know what that rationale is. If you were able to publish the evaluation, it would help us to see that.

**Mel Stride:** I understand that. To take the issue of the rationale, I suppose one could address that as a specific point. We are not necessarily coming forward with an entire evaluation report, but none the less I take your point.

On the benefit cap specifically, my view as I looked at it was that this was, as you say, brought in 2013 or thereabouts and it had the rationale. There were some outliers, if I may describe them like that, whose benefit claims were very substantial compared to most people or what median earnings were at that time. That seemed to me to have a solid rationale behind it. It became de-anchored through time. I think the decision was taken in 2015 and then it came forward in 2016 when it was reduced and then frozen thereafter. What we then saw clearly were tens of thousands of people getting caught by the cap who would not otherwise have been and I think it became something else. If you looked at the impact of that on poverty levels, for example, my view was it was at an inappropriate level.

It should be stressed, of course, that there are many exemptions to be caught by the cap, including a certain level of earnings. If you are out and working at a certain level, you are free of the cap altogether. That was my thinking at the time, particularly given the high level of inflation, of course. To be taking that decision with inflation at 10.1% is very different from reviewing a cap where inflation was, say, only 2%. It was particularly acute.

Q16 **Debbie Abrahams:** Following on from Sir Desmond's comment about the adequacy of benefits, are you aware of the remark from the Institute for Fiscal Studies? "Even with the temporary increase to UC"—from the pandemic uplift—"the UK has one of the least generous out-of-work



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benefits systems for workers on average earnings in the OECD. A single childless worker on average earnings who lost her job would now receive 17% of her usual income in benefits, compared with an average of 20% in the rest of the OECD." It goes on to say that this is even worse when you consider contributory benefits. I just wondered if you are aware of that when you are considering—

**Mel Stride:** Not that specific example you have given, and I will look at that with considerable interest after this meeting. We have to see support in the round, I have to say, particularly over the last couple of years. Of course, the element that we have not discussed yet is the cost of living payment support, which by way of international comparison that is cited in that example has been pretty high compared to most countries. I hate to use the word "generous" because it is slightly emotive in the wrong way, but it is high compared to other countries.

If we go through that, there has been £650 that my Department has disbursed in two tranches this year to 8 million low-income households; £300 that is still going out at the moment to pensioners in addition to their winter fuel payments, so they are either receiving £500 or £600 payments this month; the £150 that is being paid to those with disabilities; and, of course, the energy price guarantee that has been capping for an average family their fuel bills at £2,500, saving them £900 over the year, plus the £400 off fuel bills and reductions in council tax bands A to D. All those interventions—those direct transfer payments—are aimed at the very people you have cited, quite rightly and understandably, in your example, and there will be more to come as the Chancellor announced at the autumn statement with, in fact, the £650 payment that I referred to rising to £900. Across the piece, there is a huge amount that is now going into supporting those who need it the most.

**Debbie Abrahams:** That is welcome, but we need to recognise the context of that quote, and there is another one that I could also provide, again from the IFS, which states quite clearly that compared to when the welfare state was first set up it is less generous than then.

**Mel Stride:** I would be very happy to have a close look at that, Debbie.

Q17 **Nigel Mills:** Could you perhaps explain, Secretary of State, one of the things in the autumn statement around the delay in moving ESA claimants to Universal Credit? What motivated that quite lengthy delay?

**Mel Stride:** This is a delay from the end of 2024 to 2027-28. There were two principal reasons for that. One is a fiscal reason—a financial reason—which is that because of the fact that as claimants are migrated by mandation from ESA on to Universal Credit and given transitional protection if they are one of the 33% that are likely to lose as a consequence of that migration, and that 55% of those who are being migrated will be gainers compared to what they are receiving on ESA, because of that effect being stopped because of the delay, there is a



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saving across the scorecard period of about £1 billion. That is very important because you could look at that and say, "It is all about saving money," but as I said earlier on in my opening remarks, saving money is very important because it means that you redeploy it somewhere else and help other people.

The second reason is that a large number of people are employed by DWP in executing that mandated migration, and they could be freed up to do other things. I saw it as an opportunity for a reallocation of resource that could be helpful to the Department and allow us to focus on those that need the help. For those on ESA, voluntarily they can still migrate, of course, should they choose to. If they have a change in circumstance, they will automatically migrate. All that is being changed is making people migrate. I thought that the trade-off there was the right one.

**Q18 Nigel Mills:** Your compassion for vulnerable people did not extend to the most vulnerable, in effect. You have chosen to make a £1 billion saving by giving them less than you were expecting to be giving them over that time period. That is basically what you are saying.

**Mel Stride:** No, what I am saying is that anybody who is on ESA is now not going to be mandated to be moved from ESA across to Universal Credit until later than was originally planned. That is basically what it amounts to.

**Q19 Nigel Mills:** We have wrestled with this issue for quite a while because these are the claimants who are most going to struggle to make the change. I guess that is the reason why they are the ones that were going to be moved at the end of the process. Effectively, you are almost saying, "Okay, but if they think they will be better off they could choose to move," while knowing that that is extraordinarily unlikely. It is a bit hard, isn't it, to say we are trying to help the most vulnerable through this crisis when you have just chosen a £1 billion saving literally from the pockets of the absolutely most vulnerable?

**Mel Stride:** Those on ESA can move voluntarily. Nobody is stopping that migration route, as it were. There is information online. If you go to gov.uk you will find information that allows you to calculate what your benefit would be if you make the transition to Universal Credit. While, for example, it is true that once you have transferred, you have transferred—you cannot then go back the other way—you are able to obtain the information that allows you to make that decision based on whether you are better off or going to be potentially worse off.

Politics is, as we all know around this table, about choices at the end of the day, and some of them are tougher than others. In an ideal world, I would like to be able to do everything. I would like to migrate all ESA people over as quickly as possible, as well as putting certain other benefits up more than perhaps we managed to. In the round, generally, that has been the right decision to have taken.



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**Q20 Nigel Mills:** When you forecast the £1 billion saving, what percentage of those claimants are you thinking will move by change of circumstances in the four-year delay and what percentage will choose to migrate themselves? I presume that they are both relatively low numbers, aren't they?

**Mel Stride:** I will turn to Peter on that, other than to say, to make one point, that by the time we get to 2027-28 I think the number will have fallen naturally from about 800,000 to, I am thinking, 400,000 or 500,000.

**Peter Schofield:** It is 1 million to 600,000. That is the difference in how many people will no longer be on the benefits that we are talking about. These are people who are on ESA who do not have a tax credit element to their claim. They are people we would have migrated in 2024-25 who we will now migrate in 2028-29. As the Secretary of State says, anyone who thinks they would be better off can obviously make a claim to Universal Credit. They have been able to do that since 2018; there is no change there. This is a fiscal saving taken into account in the scorecard for the autumn statement arithmetic.

**Q21 Nigel Mills:** You gave me the answer that there will be 400,000 fewer by 2028 than there are now; how many of those are because they have moved due to change of circumstances or choose to move and how many because they presumably die or go off on to the pension in that time?

**Peter Schofield:** I don't have the detailed breakdown of that.

**Nigel Mills:** You can write to us with it.

**Mel Stride:** Yes, maybe we could write to you, Chair, on that point.

**Q22 Nigel Mills:** Are you confident that ESA systems are robust enough to be carrying on with this volume of people for this length of period?

**Mel Stride:** The short answer is yes, because they have done that for some considerable time. I do not know if Peter has anything to add to that.

**Peter Schofield:** The Committee is well aware of the nature of our IT systems and our plans to remediate as we are moving legacy systems on to more modern platforms. That makes them more reliable, even before we then move into reformed systems altogether. We are constantly maintaining and supporting our legacy systems and have every confidence in the relevant platforms being able to be robust and continue to support customers as they currently do.

**Q23 Nigel Mills:** Have you had to profile a load of extra cost in maintaining the system at such scale when you were expecting it to be largely wound down, I would have thought, in a couple of years' time? Are there cost implications to that?



**Peter Schofield:** Moving out of the legacy platforms, if you think of the six legacy benefits, they all had different legacy platforms. We cannot switch those off completely until the last person has moved over to Universal Credit, so we will have to keep those going forward. That is a cost that we will have to bear during the course of the next spending review period because that is when the additional cost would come through.

Q24 **Nigel Mills:** But you have factored that into your £1 billion saving?

**Peter Schofield:** Yes. The Secretary of State also talked about some of the savings from the fact that we will not be needing so many people in the service centres to support people migrating during the period in 2024-25 when we would have had those people moving across. There are some numbers that go up and some numbers that go down. The big numbers are the difference in the winners who will not be winners during that period.

Q25 **Nigel Mills:** Are you expecting, then, that everybody else will be migrated by the end of 2024 and then you will do no managed migration for four years and then try to remember how to do it in 2028?

**Peter Schofield:** This is not the way I would design a programme to deliver, but these are, as the Secretary of State has set out, tough choices that the Government have had to make and this is the decision that has been made. We will manage the programme through this. I suppose the key point would be that by the time we get to the end of 2024 we will have moved the Universal Credit programme fully into the operational part of the Department. The process of delivering, instead of a discovery phase of learning and testing, becomes a delivery programme alongside everything else that we deliver through Universal Credit service centres. That learning will be embedded in the operational delivery of the Department.

**Mel Stride:** Just while I think of it, there is this discovery phase that is going on around migration, and in terms of publishing findings we will publish the findings of that in the new year. Some of the more granular questions and concerns that you might have hopefully will be set out in that release.

**Chair:** We welcome the assurance. Thank you.

Q26 **Selaine Saxby:** Good morning and welcome. The social security update on 17 November said that the local housing allowance rates for 2023-24 will be maintained in cash terms at the elevated rates agreed for 2021. On average, private rental prices rose by 3.8% in the last 12 months and 80% of councils report a shortage of accommodation to support those at risk of homelessness. Secretary of State, as my constituency neighbour, you know that in some parts of the country this is particularly bad at the present time. How is the Department working with DLUHC to ensure that housing is affordable for those in receipt of social security?



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**Mel Stride:** The local housing allowance—the LHA—was not uprated, as we know, but as you pointed out, in 2020 it was. It brought it at that point up to the 30th decile in terms of rental costs in the various areas that are assessed under that arrangement. It came with huge cost. That alone cost about £1 billion to do that.

The total cost of housing support at the moment is about £30 billion and the projected cost to 2050 is that that will rise to £50 billion. That is an eye-wateringly large sum, even for a Department like DWP, which is spending AME spend of about £250 billion a year, which is 22% of all Government expenditure. That would represent about a fifth of all that spending by 2050. We cannot get away from the cost of it. That is unfortunately an immovable object in this consideration.

We are in a challenging fiscal environment and, of course, a lot of other benefits were uprated by inflation that those who live in particularly affected housing would benefit from. There is the discretionary housing payments that local authorities can use. I think it was an additional £100 million, or £100 million is being put into that, whereby local authorities can use that as funding to help to assist those who are struggling as a consequence.

In terms of whether the amounts are adequate, another measure that people often point to is the cap that operates within that scheme. I think I am right in saying that it is only a small percentage that meet the cap in that arrangement. That really is the overall picture. It is hugely expensive. We have done things in the past. I am not saying it is not difficult but that is where we are at the moment.

Q27 **Selaine Saxby:** Do you think there will be opportunities to perhaps look at it further? I know that in my constituency we have lost 67% of our long-term rental properties, so where you are looking at the third decile it is really now just a fraction of properties that are even available, let alone to assess for rent. Most of them are more expensive and there are far fewer of them. Is there going to be more work done?

The Committee has heard evidence time and time again that, when we start to look at those living in poverty, the housing costs have gone up hugely and that is often what is driving people into other areas where it manifests itself, like food banks, whereas it is very hard to go to a rent bank if you cannot afford your rent or you have no house. You overlay that with the situation with the Home Office also now taking properties out of the market, which means there are less properties for those presenting as homeless. I know that it is not all your Department, but is there going to be work done on this? This seems fundamental that we cannot solve many of these other problems unless people have somewhere to live that they can afford to live in.

**Mel Stride:** As I say, benefits across the piece have largely gone up by 10.1%, which is helpful. There is discretionary support available at the local authority level. There is no getting away from the fact that



fundamentally this country has to start building more houses, particularly affordable houses. Otherwise you are always caught in this vice of the extraordinary increase in the costs that is going on. I outlined those earlier: £30 billion today, heading up to £50 billion by 2050.

Yes, we are always liaising with DLUHC. We are looking at all aspects of the rented market. We are, for example, supporting Bob Blackman's private Member's Bill, which is seeking to address the issue of those private landlords that receive Government money to provide supported accommodation for vulnerable people. There seems to be lots of anecdotal evidence that that system is being abused. There are people who take that money and their version of support is literally to turn up once a week, open the door, shout up the stairs, "Are you okay?" and then shut the door and leave two minutes later.

We are aware of various aspects of this problem and where we can we are engaged in trying to improve those situations, for example, through supporting Bob Blackman's private Member's Bill. Peter, did you have something to build on that?

**Peter Schofield:** Yes. We work incredibly closely with DLUHC. I came to the Department for Work and Pensions from DLUHC, or DCLG as it then was, where I was a DG for housing—that is an example of the close relationship we have. The combination of the support through the benefit system and the capital grant from DLUHC is absolutely vital in helping the affordable homes programme to develop. We are also working out how we can work with DLUHC in the quality and quantum of housing in the private rented sector, and the reforms that the DLUHC Secretary of State has been talking about in terms of the regulation of social housing is another element of that. It does require both Departments to work together, but I want to assure you and the Committee that there is a very good, close working relationship with that Department.

Q28 **Selaine Saxby:** While I have the privilege of having the Secretary of State here, I might bend his ear to share with Cabinet colleagues that it is not just DLUHC that is now causing a problem: the Home Office is coming in and taking properties that were previously available for homeless people to go into and that is not being consulted on with DLUHC either. It is an anomaly. My local council leader has written to the Home Office this week about it. It is just a flag that that is another concern in this particular area.

Moving on, the autumn statement has promised another £1 billion for the household support fund, bringing it now up to a total of £2.5 billion since it began last September. In your view, coming into a new role, do you think this suggests that the household support fund is filling a gap and that social security simply does not cover rent and other basic living costs?

**Mel Stride:** In a sense yes, because it is a discretionary grant arrangement that local authorities administer on the basis that there are





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those who need support. I went through a long catalogue of different transfer payments that we were undertaking—multiple billions to support vulnerable people. We recognise that there are some who still need support, despite those interventions. The best way of delivering that is at the local level, where that need can be most readily identified, and that is the purpose of the fund. It is very encouraging that the Government have put in the £2.5 billion. Indeed, within that there was more money brought forward at the time of the autumn statement. I think that is a good approach.

Q29 **Chair:** On that point, Secretary of State, what does the Department know about how the household support fund is being used?

**Mel Stride:** What do we know?

**Peter Schofield:** We published the first set of data management information back in July. That covered the household support fund spend in its first phase, which was October 2021 to March 2022. That set out the spend by each local authority, each upper tier local authority and unitary local authority. It looked in particular at what the spend was on. The sorts of information we have asked about is how much was spent on families with children, for example. Anyway, that is all set out in the publication that we put out in July. We are due to publish the next set of information this coming February.

Q30 **Chair:** Has it mostly gone on housing costs? Is that what it has been used for?

**Peter Schofield:** We do not know specifically. We know the characteristics of the people who have been funded as opposed to what they have spent the money on, because the money has gone to the individuals. It is largely families with children. It does vary local authority by local authority, but it is largely around 80% went to families with children.

**Mel Stride:** I think that 28% of LAs underspent on the allocation, which would suggest that at least they felt they were adequately funded for the purpose.

Q31 **Sir Desmond Swayne:** The autumn statement drew attention to the 600,000 Universal Credit claimants who were working between 16 and 35 hours who are now going to be required to have an interview with a work coach. Have you got enough work coaches?

**Mel Stride:** Before we went into the pandemic I think we had 13,500 work coaches. We then took on an additional 13,500 to get to 27,000. I am not absolutely clear whether we ended up with a full complement or not, but we were recruiting up to 27,000. In a moment I will bring in Peter, who will know more of the detail, but my understanding is that that second tranche was on a kind of contractual basis and were not intended to be there forever. My understanding now is that the figure is about 15,000 work coaches in situ.



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As to your question, Sir Desmond, I think this plays into the challenge that I set out earlier. You are absolutely right: that group now is going to have the additional pressures of those moving from the light touch into the intensive work-search group and that will need more resource. That resource can come in the form of additional work coaches, which would not be my preferred option and may be unaffordable, or it can come from looking at the way in which the work coaches operate—in other words through innovation and driving efficiencies. That is the mission that I am embarked on at the moment when it comes specifically to work coaches.

The average work coach, I believe—Peter will correct me if I am wrong—has a caseload of 115 claimants and under the future jobcentre programme we have now raised it to about 130 or thereabouts.

**Peter Schofield:** It is 115 now and we have plans to raise it.

**Mel Stride:** Raise it to, say, 130. We have to look at how we can drive that up even further in order to do the things that we need to do. I don't yet know the answer as to exactly how that is going to happen.

Q32 **Sir Desmond Swayne:** Are you confident that the work incentive built into Universal Credit is working effectively? There still appears, certainly from my perspective of dealing with constituents, to be surprisingly a 16-hour barrier because of all the things that cut in that you lose, particularly if you have childcare responsibilities. Are you confident that we should not be looking at incentivising work rather more in the system?

**Mel Stride:** There is always scope for incentivising more and you will be aware, Sir Desmond, of the long debates about the taper rate, which as you know went down from 63% to 55%, and the size of the work allowance. The problem is that to zero in on the taper, where an obvious approach to the conundrum you presented would be to lower it still further, it is extraordinarily expensive to do it. That is part of the problem. You are also right that outside of the standard allowance there are other elements, and I will turn to Peter for this, where there are inherent cliff edges—childcare presents one of them—where in an ideal world they would not be present. I am looking very closely at them. You always come up against the constraint of cost.

**Peter Schofield:** Free school meals would be one of those examples, I guess. All the analysis we did comparing Universal Credit with what was there before was that we had significantly increased the work incentives. That 16-hour cliff edge within the benefit system, when you moved out of JSA into working tax credits, of course has now gone—gone, gone, gone—for people who are on Universal Credit because it is a simple taper all the way through. The financial incentive is there. There is then also what we do to address the barriers that people might have to work. That is where all the things we talk about in terms of the work of work coaches and other types of support come in.

Q33 **Sir Desmond Swayne:** There is a fundamental problem, though, isn't



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there, with this huge level of vacancies in the economy, a very substantial number of people who might be available to work but aren't, and huge pressure to simply import all the workers that we need? Do you have any big ideas? How about workfare?

**Mel Stride:** It is not something that is actively under consideration, would be the answer to that.

**Sir Desmond Swayne:** It should be.

**Mel Stride:** It has been a feature of the landscape in the past, that is true. It has been used in other countries but it is not something that we are currently reviewing.

**Sir Desmond Swayne:** That is a pity.

**Chair:** That is a controversial observation.

**Mel Stride:** I have heard your pitch, Sir Desmond.

Q34 **Siobhan Baillie:** On the childcare element of Universal Credit, we have heard evidence that work coaches struggle with this. We were told that there was an effort to put a specialist childcare work coach into various different jobcentres. I would be interested to know whether there has been any progress on this. It is a generous scheme at 85%. We know that the take-up is incredibly low and we have had witnesses before us telling us it is actively discouraging them from not only going to work but maximising their opportunity, particularly with the up-front costs. I would be interested to know what work has been done to assist work coaches to assist claimants and whether there are any potential changes coming down the track with childcare.

**Mel Stride:** We do recognise that we need to get the message out there. In June this year a major communication strategy was rolled out to encourage take-up, with the Department communicating new internal guidance to operational staff. Maybe Peter might want to say a bit more about that.

**Peter Schofield:** Yes. This is something that we have been pushing with work coaches to get the message across. As you say, you have had witnesses, including from the Department and the ministerial team, here and have gone into this in some detail. The take-up could be higher. It is a generous scheme. Very few people breach through the cap, so it is not so much about whether it is generous enough; it is around take-up and all that we are doing around awareness and trying to make sure that this is something that people can access and that other barriers that people have to accessing work are taken away as well. It is something where work coaches working with the individual claimant piece together what financial support they need but also other types of support. Sometimes it is access to childcare. The money might be there but access to childcare in the area that they need it is important, too.



**Q35 Siobhan Baillie:** One thing I would say to the Secretary of State, as you are new in post, is that the up-front requirement for costs is putting people in debt. Even if you have the best communications campaign telling people what a great service and a great offer this is, people are very nervous about it because they are getting into debt. They are getting into debt every single term and when they are repaid from the UC scheme it comes back in different forms. It is not like you pay out £1,500 at the beginning and it comes back in a clean amount. It comes back in different forms and by then they have borrowed from family and they are in debt. Then it starts again. It is a bureaucracy. It is the complexity and it is the mechanics of this.

We are doing a report, so you will have some information coming to you, and I know there is going to be a wider look across Government for childcare, but I do think there needs to be a fundamental change and potentially—I am not going to pre-empt the Committee because it is up to the Chair—we should look at whether it should be removed even temporarily to keep things flowing.

**Mel Stride:** I totally identify with the problem, which is that the model that the providers work to requires up-front payment and the way UC works requires it to be in arrears, unfortunately. There is the flexible support fund that can be drawn on but—I am sure this is the point you are about to make—it still just pushes the problem a month down the line to a degree, although it does mean that that individual has been in a further month's worth of earnings in order to try to get themselves into a better position than they would otherwise have been in the absence of what is a grant rather than a loan with the flexible support fund. Overall the measures that the Government are taking to encourage single parents into work, women into work and so on has been shown through time to work. I have a couple of figures here: since 2010, the female employment rate at 72.1% is 6.6% higher than it was in 2010, and the employment rate for lone parents at 66.4% has gone up 9.3% since 2010. We are making headway, but we will certainly look out for your report with great interest.

**Q36 Selaine Saxby:** Pension credit has been hailed as a great success with the awareness work in June this year. What impact do you think that scheme has had? Have we seen many new claims for pension credit from people who turned out to be eligible for it?

**Mel Stride:** To address the issue of impact, it is a very important benefit—it is a sizeable benefit. On average, it is worth around £3,300 per year. Of course, in terms of the transfer payments I was referring to earlier—the cost of living support payments to the 8 million low-income households—it is a trigger for qualifying for that. It is a gateway into other benefits, including the cost of living payments, so it is very important. It is not possible, unfortunately—otherwise I would flick the switch and do it—to make it an automatic benefit that is just assessed at the centre and paid out automatically, because of the complexity of the information that is required to assess somebody who has applied for it.



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We put a huge amount of effort into pushing up the take-up, which is currently around 70% of those who we believe are eligible, including in the week beginning 13 June, I think, of this year. There was a major push in that week—led by Guy Opperman, my very capable Minister, who was then the Minister for Pensions—which saw 10,000 additional applications and a 275% increase among those that were applying at that point. I think it does show that if we work together, we get the message out.

We are pushing the message out through jobcentres, we write to pensioners every year with their annual pensions letter and we stress the availability of pension credit in that. We are also linked up with citizens advice bureaux and all sorts of others to try to get the message out. Indeed, we have also written, I think, to every Member of Parliament to urge them to urge their constituents to do likewise. We are very aware of the need to do this and we are very active in that way. Peter, I don't know if there is anything I have missed there.

**Peter Schofield:** No, that is perfect.

Q37 **Selaine Saxby:** Are there any sort of practical problems of an increase of that level in the number of claimants?

**Mel Stride:** No, in the sense that we are geared up for it. We have taken on additional staff. We have reassigned the full-time equivalent of 100 colleagues recently and recruited 85 temporary staff to process claims. In terms of the financial impact, of course it does have a financial impact on the Exchequer, but not one that overly bears on us because it is an increase in AME spend, which is what it is. Financially, we have no disincentive to do other than to try to get that benefit as universally taken up as it can be.

**Peter Schofield:** Also, just to build on our operational response to this, huge credit goes to colleagues across DWP, because as well as new colleagues coming in, as the Secretary of State said, we have also asked colleagues to implement new ways of delivering the processing. We have been able to almost triple the rate at which we are clearing pension credit claims coming through, up to 9,000 a week now. We did have a bit of pressure in terms of backlogs, but that is coming down now to much closer to acceptable levels.

Q38 **Selaine Saxby:** As part of the schemes that are going on—again, I have had correspondence from your Department in the last week about it, so I know it is ongoing work—do you feel there is more that perhaps could be done to work with local authorities to use the data that they already hold on things like housing benefit and council tax? Or even to sort of link it into some of the other schemes that we also have touched on? The household support fund, which is putting up warm spaces, one suspects is often tapping into exactly the same people that we are trying to reach. Are we joining our dots up from here back down to that local level with our councils?



**Mel Stride:** We do work with local authorities and it may be that exactly that is happening.

**Peter Schofield:** We would love to have a situation in which we would automatically know who was entitled to pension credit. There is more work we are doing in terms of looking at data exactly in the way you say, but fundamentally with the way that benefit is currently designed in the regulations at the moment, we do not think we could get to a point where we would automatically know and be able to cover off each and every element. It includes things like savings and investments and capital as well as other relevant costs. There is more we can do and we are doing everything we can, particularly because 18 December is the last date that people have to take the opportunity to be able to make a claim and for it to be backdated for the current cost of living payment, so everything that we can do we are doing.

As I say, the effect the Secretary of State has described of the campaign that was run by the then Minister for Pensions back in the summer was more successful than we have seen for any other take-up campaign that we had run for quite some time.

**Selaine Saxby:** Very good.

**Peter Schofield:** I know. The Department, over 20-odd years, has been seeking to manage down that gap between what we regard as eligibility and take-up and this has been a campaign that has been more successful than others that we have done in the past.

Q39 **Chair:** On the point about automated applications, we have heard from the Policy in Practice company that there is quite a significant group of people who are claiming housing benefit whose information therefore is with local authorities. If the Department was able to exchange information with the local authorities, it would then be possible to work out, for that particular group, whether they were entitled to pension credits.

**Peter Schofield:** I had not heard that. Let me take that away, Chair.

**Chair:** Thank you very much.

Q40 **Nigel Mills:** Can I ask about what progress you are making on the review of the state pension age? It strikes me as being quite straightforward—life expectancy is not going up, nothing to see here, let's move on to the next thing—but I am guessing it is not quite that simple.

**Mel Stride:** There are various moving parts in assessing where we should go with the uprating of the state pension age. One of them is life expectancy and more precisely what proportion of life we should expect people to have in retirement, as opposed to not in retirement. Another is the cost. If you look at the consequences of us living longer and you look at that, for example, as expressed in the financial stability report that the OBR produce every year, where it casts out 50 years and says what the



public finances are likely to look like, given the demographic change that is going on, and the cost of pensions being an element within that, it all gets pretty hairy. There is also certainly this other element of what the cost is going to be.

There are other issues like intergenerational fairness, when you look at the split between how long somebody works to support those that are not working. You then have to look at the demography and the balance of younger and older people and work out what that means for lower-age cohorts as well. As to your questions as to where we are with it, it is being reviewed. I cannot say anything about it at the moment, other than those are some of the elements that I am looking at, but we will be coming forward with something to say about that in due course.

Q41 **Nigel Mills:** By spring, which I think is your deadline—should we expect it before Easter?

**Mel Stride:** Yes, the deadline is May, so it will certainly be before then. I would anticipate sometime in the new year.

Q42 **Nigel Mills:** Do you plan to publish Baroness Neville-Rolfe's report, which I think you have received, haven't you?

**Mel Stride:** That would be in a category that I described earlier, in other words, let me see on that, but it would appear to be one of those where it would be—let me say at this stage—quite sensible to have that report out there, given that it will certainly be informing the decisions that I and others are taking.

Q43 **Nigel Mills:** I think we had come to a landing that you should have roughly a third of your adult life in retirement. Are the Government seriously thinking of reducing that?

**Mel Stride:** You are ingeniously trying to draw me into where the thinking is going at the moment. You are right that the Cridland review was suggesting 32% for the ALIR—the percentage of your life in retirement. That is a factor to consider but I cannot be drawn on what my thoughts are at this stage as to whether Cridland is about the right figure or not, but clearly that metric is very important.

**Nigel Mills:** Yes. We shall look forward to the review, those of us who might be in that age category. I should probably declare an interest.

**Mel Stride:** There are some vested interests around the table, yes.

**Nigel Mills:** I suspect looking forward to that review may not be the right phrase.

Q44 **Debbie Abrahams:** A very quick point to follow on. Nigel is absolutely right, given that life expectancy is flat-lining and in areas like mine it is going backwards—that is also the same for women. I just had to get it on the record, Secretary of State, that life expectancy is not increasing at the moment.



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**Mel Stride:** It has decreased since Cridland came out, I think, isn't that right?

**Peter Schofield:** The rate at which it is increasing, yes.

**Mel Stride:** Or the rate at which it is increasing has flattened. That would be a more accurate way of putting it, yes.

Q45 **Chair:** Before we leave pensions, can you tell us when the next set of pension credit take-up statistics will be published? We gather there has been a bit of a delay because of some data difficulties. Obviously given the discussion we had about take-up, it would be—

**Mel Stride:** I am going to ask Peter to answer this, but I am not sure that we have the data.

**Peter Schofield:** I don't have it, but I will let you know when we do.

**Chris Stephens:** A happy St Andrew's day to you.

**Mel Stride:** It is indeed St Andrew's day. Thank you.

Q46 **Chris Stephens:** Secretary of State, welcome to the Committee. I have a number of questions about deductions. You touched on fraud and I want to come back to that if I can. The latest figures on fraud and error rates within the benefits system show that 4% of benefits expenditure was overpaid. Should these overpayments, if they are identified, be deducted from people's claims, especially when there is a cost of living crisis?

**Mel Stride:** That is a very pertinent question. It is a difficult question because in the event an overpayment occurs because of an error on the part of the recipient, that is quite different from an overpayment occurring because the system has simply overpaid somebody completely without their knowledge. I totally accept that. You do run into a fundamental principle, which applies in the tax system. If the tax office gives you an inappropriate tax code and you therefore pay less tax, it will not turn around and say, "Well, don't worry about it. It will be written off." It will come to a sensible arrangement with you—and it has to be a sensible arrangement—in order to repay that.

The same principle needs to apply within the benefits system but, as you will be aware, there is a plethora of easements and considerations that are taken into account when it comes to repayments, not least having a cap of the standard Universal Credit, which was 40%, then reduced to 30% and now reduced to 25%, which is the maximum that can be removed by way of deduction.

In the cases that you have spoken about, Chris, it is important that we are very understanding of the circumstances of the individuals concerned. There can be appeals around deductions. The debt management team will look very carefully at specific cases where hardship and the basics of life may have become unaffordable because of a deduction, but I come back





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to the basic principle, which is that however it may have arisen, if there is an overpayment, then in an appropriate way it is right that that is repaid through time.

**Q47 Chris Stephens:** But there is also case law about pay and wages, for example, where there are overpayments as well, where there is an error in law, there is an error in fact and all of that. I ask you to have a look at that.

Let us move on to deductions because, as you have rightly identified, I regularly ask this question about deductions and I have identified concerns. Those concerns are backed up by Dr Rita Griffiths of the University of Bath, who has led on three major reports on UC claimants. She is recommending a pause in deductions, particularly those resulting from overpayments, just to give people that breathing space during the cost of living crisis. It did happen during the Covid crisis.

**Mel Stride:** It did.

**Chris Stephens:** Is there a particular reason why a pause shouldn't also happen during this cost of living crisis?

**Mel Stride:** There is another principle that I come to, and the problem with principles is they are always blunt and they always have hard edges and things that they miss, but you have to find them. One of them is that on balance, it is not good for people to be left in a position where they are in debt. The right approach is to come to a sensible arrangement, and that is critical in order to get that debt down, to get people beyond debt, not to leave them in a position where they are becoming more vulnerable and the debt accumulates and so on.

You are absolutely right that we paused deductions during the pandemic. There is some probably largely anecdotal evidence that it was not good for people in some circumstances to have been left with more debt coming out of that very difficult period than when they were within it, the idea, which is quite a powerful one, being that at the earliest opportunity somebody is in a realistic position—I underscore the words “realistic position”—to deal with debt, it should be dealt with at that point, rather than letting it accumulate and become more of a problem further down the line. It is a vulnerability that gets transferred into the future if you leave it unaddressed. That is the point.

**Q48 Chris Stephens:** What is the reason then, Secretary of State, for the number of deductions that keep increasing? I regularly ask the question and the numbers keeping increasing on deductions and the average keeps increasing. That is a concern to me for precisely the point that you have made: are we putting people into poverty by doing that? Is there a reason why the deductions keep rising when I table this question?

**Peter Schofield:** Let us remember, Mr Stephens, that the vast majority of the 4% figure that you described—3%—is fraud, so most overpayments are a result of fraud and we need to get that money back.



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The rest is a combination of error; sometimes claimant error and sometimes official error. In the case of Universal Credit, the law says that we should claim back official error for other legacy benefits. That is the nature of the 4% figure that you gave.

Exactly as the Secretary of State has described, not only have the regulations reduced the level of maximum deductions from Universal Credit as a proportion of the standard allowance over the last three or four years from 40% now down to 25%, but we train our colleagues in debt management telephony to be able to empathise with the person they are talking to and work with them. I have sat alongside colleagues as they have been on those calls in debt management offices and listened to the way that they handle those calls. We train our people to be empathetic and to listen and to make adjustments and they have the ability to make adjustments to a payment schedule that works for the individual they are talking to.

That is all about getting the balance right, but remember some of the deductions that we are making are deductions that we make that are then paid to utility companies to enable the claimant to keep the electricity running and essential payments for rent and other things, so we are helping to support people as part of this as well. If you pause those deductions, that might have other impacts as well. It is a balance. The key thing for me is making sure that our people are trained to be able to empathise and come to the right solution for the people they are talking to and supporting.

**Q49 Chris Stephens:** I am going to push back on empathy in a second, but I just want to ask the Secretary of State this question. The main reason for deductions seems to be this advance payment at the start: at the start of the claim there is a five-week wait and people are offered an advance so that they have money. Would it not be better for the Department to relook at the recommendation from this Committee, which was unanimous, that we should maybe look at a starter payment at the start of the claim or a couple of weeks after that claim so that we get out of this cycle of people having deductions because of advances?

**Mel Stride:** I think we changed the period over which the advances could be repaid to extend it to 24 months. Is that correct?

**Peter Schofield:** Two years, yes.

**Mel Stride:** We have put in the softest realistic arrangement possible for that. As I said earlier, Chris, the way the teams work and the coaches work and the debt management team work is to constantly be asking these questions: what are the individual circumstances of the claimant? What is reasonable in terms of repayments? Is a payment freeze appropriate at any particular time? What additional help from the flexible support fund might be available, for example? So it is not a kind of one-size-fits-all. As Peter has set out, the way that our people are trained in



that respect is pretty rigorous, to make sure that we do the right thing for claimants, albeit through time debts are expected to be repaid.

**Q50 Chris Stephens:** We will no doubt be continuing to discuss the deductions. You will appreciate that I will have a number of demands around that.

Empathy was mentioned, Secretary of State, so I want to talk about sanctions next. Sanctions were suspended during the pandemic. A very hard line seems to be coming back and the Disability Benefits Consortium has concerns. It found that sanctions are disastrous for claimants with mental health conditions, so in what way is a claimant's mental health a consideration in the Department's decision-making process regarding sanctions?

**Mel Stride:** When it comes to sanctions, let me first say that sanctions are necessary and right. Nobody wants to give a sanction, but at the end of the day there is a contract that is entered into between the claimant and the Department that involves the payment of benefits, which is taxpayers' money, to support those individuals, quite rightly, but on the basis that primarily they are looking for work. If that contract is broken by an individual, for example, not turning up for a face-to-face appointment, which is 98.2% of the reason why sanctions occur, and that issue is not resolved reasonably quickly, which it can be between the work coach and the claimant very quickly—"Come on, come to the next appointment" and it is all fine—but if that persists then it is right that sanctions are entered into.

You mentioned mental health in particular. I would readily accept that there are situations where individuals are in a particular situation where a softer and more understanding or—to use your word—empathetic approach is taken. That is permissible within the way the system operates and indeed it often does operate just like that.

In terms of the increase in the level of sanctions that you mentioned, it was running at about, I think, between 2% and 3% of cases prior to the pandemic. Then what happened was, quite rightly, we said there would be a number of easements there to make sure that, for example, in the absence of being able to come into a jobcentre for obvious reasons when we were all in lockdown, benefits still flowed. What that led to was people getting out of the habit of doing the kind of things that they were doing before. In fact in April 2021 when we reintroduced the requirement for face-to-face meetings in jobcentres, that is the moment you saw the sanction regime beginning to spike up. Indeed, it is currently up at about 6%.

Some of it is the sort of rebound from the pandemic. Some of it is that of course we have increased the administrative earnings threshold through time. It has gone up to 12 hours, and it will be going up in January to 15 hours, which is bringing people from the light-touch regime into the intensive work support group, where of course they have a higher level of



conditionality associated with their interaction with the jobcentre. That in itself then leads to more circumstances in which sanctions may occur.

**Q51 Chris Stephens:** Secretary of State, we would be looking for consistency. I tabled a PQ and the figure that has come back is that in August £36 million was taken off people in sanctions. One of them, incidentally, was a constituent—I am writing to you about this—with Asperger’s syndrome and their inability to attend the jobcentre is directly as a result of their condition. They had a sanction. I do not think it is fair that someone with that sort of condition is getting sanctioned. I would like to know what guidance has been given to DWP staff in order to give sanctions. Are you looking at where we thought, as a Committee, we had got the Department to—a space where it would introduce a warning system, sometimes referred to as a yellow-card system, before it makes that decision to give a sanction?

**Mel Stride:** I will ask Peter to come in a minute on more of the detail, but my understanding is that while there is not a formal yellow card system the way the interaction would work would be that where an individual is not, for example, attending when they should do, a conversation would be held. The work coach would be trying to establish the circumstances and so on, and a solution being worked towards—attending the next face-to-face being an example of that—rather than a system that simply says, “I’m sorry, you didn’t show up. I am not interested in why you didn’t show up and therefore I am sanctioning you.” That is simply not how the system—

**Chris Stephens:** That is the perception out there, Secretary of State. You have to realise that is the perception people have, that people are getting sanctions for missing an appointment.

**Mel Stride:** Look, let me ask Peter to come in.

**Peter Schofield:** Can I come in on that? On average, I think we are getting attendance rates at our best of around 75% of people attending when they should be attending. As you say, the sanctions data that we published in August was 6.37%. That gives you a sense that sanctions are absolutely—absolutely—a last resort. I talk to jobcentre staff and decision makers up and down the country regularly about this. No one wants to give a sanction. At the end of the day, a sanction is not given by a work coach; a sanction is given by a decision-maker reviewing all the evidence. They will absolutely take into account if there is a good cause—for example, a mental health issue should be something that is taken into account. I would be delighted if you were to write, Mr Stephens, with the constituent case that you talked about.

**Chris Stephens:** Don’t you worry, I am.

**Peter Schofield:** Absolutely. I would like to understand that. A good cause is something that is considered very carefully and if someone then wants to appeal against a sanction, there is then a mandatory



reconsideration process that is run separately from the decision-making team that would then review the case again. There are safeguards in place. Sanctions are a last resort.

We would absolutely take account if someone cannot come in because of good cause but, as the Secretary of State said, over 98% of sanctions are simply because someone has failed, without good cause, to come in for a mandatory conversation in a jobcentre. This is at the heart of the way that we try to encourage people into work, support people into work, help them to find a job that is right for them and address vacancies across the economy.

**Q52 Chris Stephens:** Thank you. We will almost certainly pick that up again.

Peter, I want to ask you about fraud. The Chancellor has obviously given the Department some money to crack down on benefit fraud and error. You told us in June that you were putting more people into compliance work and you were recruiting an additional 2,000 people to do what you called a targeted case review. How well is that recruitment going and how is the review work proceeding?

**Peter Schofield:** We have brought our compliance teams up to the 9,500 that I said we would get to when I was here before and they are cracking away—cracking through. We set them a target of overall savings from fraud across the Department. All added together, I think the number I gave you was £1.1 billion for the year that we are in now and we are on track to deliver that across the Department.

In terms of the targeted case review, we are building the teams. The plans announced on the back of the announcement of money—the £613 million that was announced in December last year—was to bring that to 2,000 colleagues by April 2024. We are well advanced on that, many hundreds—

**Mel Stride:** There are 640.

**Peter Schofield:** We have 640 staff already recruited, building towards that. We are aiming to get to about 1,200 by next summer, building through to the 2,000 in that April. As you rightly say, Mr Stephens, we were then given an extra £280 million in the autumn statement to do more of the targeted case review even more quickly. Overall, that is due to create savings not just over the spending review period but over the whole period up to 2027-28 and we will be monitoring performance on all that.

**Q53 Chris Stephens:** Could you tell me, Peter, what the ratio split is between those staff employed dealing with benefit fraud and those dealing with errors?

**Peter Schofield:** With fraud and dealing with errors? It is all together in the same team, I would say, in terms of our counter-fraud and



compliance team. They also look at quality overall and are running a quality review more broadly.

I said this to the Committee: I care as much about underpayments as I do about overpayments and we drive that through everything that we do. We are using more tools to be able to understand where the causes of underpayments are coming from as well, and seeking to make sure that it goes back to one of the priorities that the Secretary of State described at the very beginning of this hearing. It is about getting money to those who need it, who are vulnerable. We are absolutely focused on doing that and driving down underpayments just as much as we are trying to drive out the fraudsters and stop the money going to people who should not be getting it.

**Q54 Siobhan Baillie:** This is a slight non-sequitur and a bit niche, so you may have to take it away. On deductions from Universal Credit with child maintenance, I have a private members Bill going through soon to tighten up the enforcement of child maintenance. I think we can all agree that where parents should be paying we should give the receiving parents the tools to follow that money through. We also have heard evidence that the debt for child maintenance is running about £450 million, and could rise to about £1 billion in 2031. We want to make sure that all money that is due to receiving parents should be getting there.

What I have learned is that where the paying parent is in receipt of Universal Credit, the way it works is the child maintenance element will be paid last. So after all other deductions the child maintenance will then go to the paying parent. There needs to be—I forget the figure—say, £8 left over in the Universal Credit person's money for the child maintenance payment to go to the receiving parent. If there is only £5.50 or £7 left over nothing is paid. The parent gets nothing. It is either £8 or nothing. That is mad because even if it is small amounts, even if it was £2, it is, first, helping the receiving parent who is often a single parent and needs the cash, and secondly, it would start chipping away at this big debt that we have.

I understand it is a computer issue—it is a system issue—so I would like the Department to look at that. I think the child maintenance element of your teams would be very pleased with that, the Universal Credit teams less so because it is complex. It makes no sense to me that we cannot have a moving feast on that, to help the parents that need the cash. Hopefully that makes sense.

**Mel Stride:** It does. I will take that in two parts. First is the private members Bill, which I am loosely familiar with at least. I understand it is about liability orders and—

**Siobhan Baillie:** Yes, we are going to try to remove the court element.

**Mel Stride:** Taking the court out of the process, and so on, which is subject to internal write-around at the moment, but I have a very positive view of it personally. But that is not a commitment, necessarily—



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I think it has its Second Reading on 9 December or thereabouts—so let us see what happens.

The £8 is an issue that I have discussed internally but Peter are better qualified to speak to it.

**Peter Schofield:** It is about the connection, as you rightly say, between the child maintenance systems and our Universal Credit systems and we are trying to see if there is a straightforward way of doing it. We should keep the Committee in touch with our progress on that.

**Siobhan Baillie:** It is mad. If the public took a step back and looked at that it would just seem mad on a “computer says no” basis.

Q55 **Shaun Bailey:** I wanted to ask the Secretary of State about the Retained EU Law Bill, and what horizon-scanning the Department is doing around managing that transfer, particularly the removal of legislation from the statute book. Where is the Department at with that? Mr Schofield, I do not know if you operationally have involvement in that. What is the horizon-scanning piece looking like on that?

**Mel Stride:** There is a lot of work being undertaken because of the sunset arrangements. There are matters relating to health and safety, private pensions, maternity allowance and pay, social security regulations, in particular, that we are looking at.

I believe we are, of all the Departments of Government, the sixth most impacted—if that is the right way to describe it—as a consequence of this legislation. Peter might want to build on that.

**Peter Schofield:** There is a lot to do, basically, and our lawyers are busy working through it. If you think about a lot of the health and safety legislation and the private pensions legislation that was promoted through the European Union, a lot of that was originated in the UK. There are a lot of important safeguards that are covered through that legislation that we would want to see maintained.

Q56 **Shaun Bailey:** I am conscious that there are obviously some important pieces of that legislation that protect other people’s rights—pregnant women at work, for example, being a big one; are you confident that you can ensure that we are not caught out by any sunsets? The sunset date for some of this is 31 December next year. Are you confident that at most that can be handled by secondary legislation, so we can get that done expediently? Or are we going to be seeing some primary legislation tabled by the Department that is obviously going to have to go through procedures of the House? I am just conscious there is a bit more process.

**Peter Schofield:** It is a good challenge. It is something that we are working through. Largely, where we are just lifting and pasting into UK law it is a straightforward process. The question is whether there is anything we would want to do as part of that process to adapt it, which then makes it incredibly complicated to do and difficult.



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Largely my view at this stage would be that given, as I say, quite a lot of that legislation we promoted from the UK anyway originally, we would want to retain it as it is. But there may be some small technical elements, as we work through this, that we realise we need to do a bit more complex delivery work on.

**Mel Stride:** I do not think there will be any expectation that we require primary legislation because the Bill itself will provide the powers, which we would then use to amend, remove, revoke, as needs be.

Q57 **Shaun Bailey:** Can I bring to your attention the March 2022 judgment of the Court of Justice of the European Union on comprehensive sickness insurance? I am keen to understand what work you have done. Have you perhaps identified any wrong decisions that have been made on CSI in the light of that decision? Are you adapting your processes now in light of that decision from the Court of Justice of the European Union?

**Peter Schofield:** It is not something I am particularly familiar with. I should probably write to you about that, Mr Bailey.

Q58 **Chair:** The worry is that that decision appears to indicate that the Department has been applying an incorrect understanding of the law previously, so there may have been quite a number of erroneous entitlement decisions as a result. If you are able to write to us, we would be interested.

On retained EU law, is the Department confident that it knows all of the consequences yet? Or is it in the process of working through which bits of law we are going to lose?

**Peter Schofield:** It is about retaining what we want to retain. Absolutely, this is why this is quite an intensive process to work through the implications of all of that. I am not in a position to update you on it.

Q59 **Chair:** Are you able to give us an indication of when the Department would expect to know how many or which the elements of law are in respect of which removal would affect DWP legislation? What is the timetable? It happens at the end of next year, is that right?

**Peter Schofield:** Yes, December 2023. The process is under way at the moment, working across the piece. I think we will know bit by bit as we go through. I do not think there is any moment where it comes to a head in a particular date but I imagine you will keep asking us the question.

**Mel Stride:** What we could write to you about, Chair, is that there have been some removals using the European Union (Withdrawal) Act 2018. I think the Department has used powers within that already. I see no reason why we should not write to the Chair to explain how we have used those powers and which measures have been impacted.

Q60 **Chair:** It would be useful. There was a report in the *Financial Times* recently that suggested that an extra 1,400 items of law had been discovered in the National Archives that previously no one had known





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about. There is a worry here that we might accidentally lose bits of law, which—

**Mel Stride:** It is fair to say that across Government there is a lot of work to do to meet these deadlines.

Q61 **Chris Stephens:** I have some questions about bereavement support payments. The bereavement support payment has not been uprated since it was introduced in 2017, so why was the decision taken not to uprate the payments in line with other benefits in April next year? Is there a specific reason for that? Is there a specific reason why the bereavement support payments are an exception?

**Mel Stride:** I might turn to Peter on this.

**Peter Schofield:** The Secretary of State talked earlier about there being a number of benefits that were not uprated in the overall context of choices that were made as part of this process.

Q62 **Chris Stephens:** I am sure we will want to pick that up, Chair. Let me turn to the remedial order, which I and others in the Committee have been campaigning on for quite some time. We were pleased to see that a second remedial order has been laid. You decided not to put back the date from which the order would have effect; why was that decision made? Was it for technical reasons or legal reasons? Was it simply financial reasons to please the Treasury? Or is it a completely different reason?

**Mel Stride:** You are right, we laid the order on 13 October and it does introduce retrospective payments via the remedial order. As to the date that was decided upon—

**Peter Schofield:** To implement it and deliver it, too much backdating would have an administrative complication that was difficult to do, so looking at this in the round we chose to do it this way.

Q63 **Chris Stephens:** What would be the administrative complication then? I would think that if you were backdating something from a date, let us say instead of 2018 we backdated to 2016, why would that lead to an administrative complication? I am a bit confused about that.

**Mel Stride:** There is another pebble I could throw in the pond on this, which is that there was the McLaughlin case, for which final judgment was I think 30 August 2018. That was therefore the date at which you could argue it could be reasonably considered where widowed parent's allowance legislation was considered incompatible with the European convention on human rights. There would be a logic to it in that sense. That was the moment in time that it fell foul of the European—

**Chris Stephens:** It could be argued that the logical in time was when the first court case upheld the decision, which is 2016, Secretary of State.



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**Mel Stride:** You could choose various dates, I think. But on the administration point, Peter, do you have anything else to add?

**Peter Schofield:** No, it is just where we have the ability to do it. But I think you are right, it was probably in regard to the date of that particular court case.

**Chris Stephens:** Could we get written confirmation?

**Mel Stride:** I am very happy to write to the Committee on that.

Q64 **Chris Stephens:** I appreciate that—thank you. The revised remedial order was laid in October, as you have said, almost a year after the JCHR reported on the first order. Is there a reason why it took so long? Obviously we are concerned about whether any bereaved people suffered financial detriment due to the delay?

**Peter Schofield:** It is something that you discussed with the previous Secretary of State on a number of occasions.

**Chris Stephens:** At length, yes.

**Peter Schofield:** I think she made the decision to do what she did and we brought in the order, as we have then done.

**Mel Stride:** If it is all right, we should write to the Committee and also pick up that question, if that would be helpful.

Q65 **Chris Stephens:** Yes, thank you; it would be very helpful. This is my last question on this issue. We were advised that the Government are planning a publicity campaign around the changes; could you also outline to us what that would entail in the letter?

**Mel Stride:** I am very happy to.

Q66 **Chair:** On the point about uprating, it is not clear why this particular benefit should not be uprated along the lines of other benefits. I do not know whether you might drop us a line about the thinking. I wonder if it is almost by accident. It was introduced in 2017 and has not been uprated since to keep it on a par with other benefits that are regularly uprated.

**Mel Stride:** We will address that in our response. Thank you, Chair.

Q67 **Siobhan Baillie:** On the transparency point in data, I have been following the debate going on about whether there are 5 million people on out-of-work benefits. This is between *The Spectator*, Full Fact—

**Mel Stride:** Fraser Nelson.

**Siobhan Baillie:** Yes, and Radio 4's *More or Less*. These are smart forensic journalists, with lots of researchers involved. They have struggled to nail down the actual position. It has taken accessing a password-protected website called Stat-Xplore for employment figures and calls to the DWP press office, and the figures they have been looking



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at still have a six-month lag. Before commenting on data, what do you say about the figure of 5 million people being on out-of-work benefits?

**Mel Stride:** My view is that we do need to do more work on this whole area in the economic inactivity. As I said at the beginning of the hearing, there is lots to learn and lots of unknown. As I understand it, the 5.5 million, if that is the figure, is largely that component of Universal Credit claimants that are out of work added to a remnant of those that are on JSA—a small amount—and then incapacity makes up the difference. I have to admit I just very quickly read that on my phone and thought, “That is interesting; I will dig into it.”

Q68 **Siobhan Baillie:** Because of the urgency of the job vacancies, and the fact that the data is out there but hidden and not up to date, would you agree that we need to bring this particular area up to date quite quickly?

**Mel Stride:** There is a lot of work going on internally on dissecting a larger number than that—the 9 million that I referred to at the beginning. That is happening at pace. There are some areas where we have a paucity of information, other areas we have quite—

**Peter Schofield:** The 9 million is the labour market stats that come out on a regular basis. The 5 million is a proportion of that and the *Spectator* have chosen to carve it up in a particular way. I think 1.6 million of those were incapacity benefits, primarily ESA, so these are people who are unable to work because of health conditions. You will have a considerable number of people on Universal Credit who are in the same position.

Our best number of people who are unemployed, the old claimant-type measure, which is primarily people in the intensive work search group in Universal Credit and people on JSA, is around 1.5 million. But of course none of that is not to say—it goes back to the conversation we were having earlier about the importance of supporting people who are out of work because of health conditions, to help them into work. Even though they are not formally in the unemployment statistics, as we would know it, these are still people who are economically inactive that we need to be supporting into work.

Q69 **Siobhan Baillie:** Employers are so desperate to recruit. I think this is a touchpaper if we are not careful. Would you accept that we need to get some more up-to-date figures and get this out and broken down?

**Mel Stride:** Yes, there are some areas in which we have very good data, right down to knowing who the individuals are in that cohort. There are other areas where, not least because they are not connected to the Department in any real form, we probably struggle a bit. But we are getting that together and there is a project internally as part of this wider review that we referred to earlier, where data are part of that, and we are putting that together.

**Debbie Abrahams:** I would like to comment on your previous questions about sanctions, debt and deduction. I was a little bit disappointed. For



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me, the response, particularly around the debt and deductions, showed a lack of empathy and understanding about how people live their lives—particularly the claimants you are dealing with. We had earlier questions about people getting back into work and retraining. I noted a question: what skill level are we talking about? Most of the claimants you will be dealing with are low skilled, in and out of work, and it is unfortunate not to recognise the cycle of in and out of work and the cycle of poverty that people go through and the mental health toll this bears.

**Mel Stride:** Can I respond to that? Only if you want me to.

**Debbie Abrahams:** You may.

**Mel Stride:** I do not accept that characterisation, although I do accept the premise on which it is built, which is that it is absolutely vital that where we have vulnerable people in society who, for whatever reason, are really struggling and may not be able to work at that particular moment in time, they are treated with respect and they are supported to whatever extent we can within the system. That is the first of the building blocks that I look at when I look at the way the DWP operates.

Without dialling into some of the things that we went through earlier, there are many examples of how this Government are doing that: the uprating of benefits, uprating the pension, the triple lock, the benefit cap uprate and the cost-of-living payments, the support for pensioners—all those things are precisely about that. It is absolutely fundamental and core to what the Department is about.

Q70 **Debbie Abrahams:** I welcome the very positive approach that you have taken both in terms of many of the measures in the autumn statement and in your evidence to this Committee. I am grateful for that but I have a slight add-on. When we made a recommendation to previous Secretaries of State around the deductions issue we made the point that DWP is taking a harsher approach than the private sector in reclaiming debt. I will just leave that one with you. But I do welcome a positive attitude, Secretary of State, so thank you for that.

I want to move on and talk specifically about the requirement that the Equality and Human Rights Commission have put on the Department for Work and Pensions. Going back to April, they notified your Department of the need to enter into a section 23 agreement under the Equality Act 2006. That was based on evidence that had been supplied through numerous disability actors and charities around the deaths of particularly vulnerable claimants, although not solely. So it harps a little bit back to the conversation we have just had.

Then there was a report that was produced back in February 2021 that made a recommendation, which was specifically on the health effects of the Welfare Reform and Work Act 2016, and it went into quite a bit of evidence around that and made a recommendation to the Equality and Human Rights Commission that these deaths needed to be investigated. That is when the EHRC looked into what your Department is doing around



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reasonable adjustments in relation to how you deal with vulnerable claimants in particular.

There is even more evidence now. We know that in the summer there was the Deaths by Welfare Project, which published some incredible depth of detail. There were 140 claimants' deaths that have been investigated by your Department, and 39 cases of serious harm, so my question is: where are we in relation to the section 23 agreement? Has that been agreed now?

**Mel Stride:** I will come to that, Debbie. Can I just say at the outset that any instance where somebody ends up in a situation where they take their own life or come to serious harm as a consequence of an interaction with this Department—this an “if”: if it is as a consequence—I take it extraordinarily seriously? It is an area of what we do that is a very serious focus for me as Secretary of State, and I totally understand the responsibilities that this Department has in that regard.

As relates to the EHRC and the section 23 agreement, we are working towards that in principle. I cannot comment on where we are with that until we conclude those discussions, other than to reassure you that those discussions are, first, ongoing, and secondly, in the opinion of the Department, are entirely constructive. There is a good engagement between ourselves and the EHRC.

There are other cases, as you will know. There is the Osman case and others where, because of issues of sub judice, I am not in a position to comment any further at this stage. But on EHRC issues there is positive engagement between ourselves and the EHRC.

**Q71 Debbie Abrahams:** I wonder if the EHRC were here whether they would have the same view; my understanding is that that is not the case. It is seven months now, and I appreciate that you are new in the role, Secretary of State, but you have just made a statement about how important you take these issues. Seven months does not look as though it has been taken seriously, particularly by your predecessor, but now you have the reins in your hands. It is very much down to you. It is simply not good enough to say we are making constructive progress. This needs to be dealt with, with absolute urgency, and anybody watching this who has been affected either as a family member or a friend—there are hundreds and hundreds—will look at this and think you are not taking it seriously.

Why has it taken this time and when will it be agreed? It would be reasonable to say that it would be concluded by the end of the year and anything less than that will be seen as an obfuscation, an absolute kick in the teeth to the disabled claimants, particularly, who have suffered around this. But this is also about our equality laws. This is the equality law regulator. What does it say about this Government? I thought we had moved on from a Government that decided that some laws would apply to them and others would not. This is just not good enough. These are



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laws that are in standing. How can we expect anybody else in the country, and other organisations, to take these laws seriously if our own Government will not? Can I leave that with you? It is only fair that we have some resolve to this to get that agreement completed by the end of the year. Anything else than that is just not good enough.

**Mel Stride:** Thank you for those comments; I listened very carefully to them. I can assure you on one point: there is certainly no effort to obfuscate in any form. This is a process that will come to a conclusion. We want it to conclude as quickly as possible.

Peter, on the issue of timing, what are the reasons why it has taken the time that it has taken? I do not know what these processes normally take in these circumstances.

**Peter Schofield:** The engagement is positive and constructive and there are things—I cannot go into the detail unfortunately; I am not allowed to—but the engagement is positive and constructive. The other thing I want to reassure you of, Ms Abrahams, as I try to do regularly, is that absolutely everything you say in terms of what we are trying to do as a Department, how we support vulnerable people and the learning-lessons process that we put in place, things like the serious case panel and all that we do through that work—we have set it out in more detail in the annual report and accounts—we want to learn from when things go wrong. This is a Department that is seeking to listen and learn at every stage.

Q72 **Debbie Abrahams:** We have been around this course before. Mr Schofield, they are words and people now want action. This is one example of how you can take action. I have other questions here but we know that the 140 deaths between July 2019 and June 2022 are the tip of the iceberg because you do not collect the data. I will not do you the disservice, Secretary of State, of asking if you do because I know you do not. Why don't you? Why do we not have a real understanding of the scale of the deaths of disabled people? Your predecessor was a little bit reticent in recognising that the Department has a duty of care to protect and safeguard particularly vulnerable claimants. I wonder what your views are on this.

**Mel Stride:** We do care.

**Debbie Abrahams:** Do we have a duty?

**Mel Stride:** We do not have a statutory duty, but that does not mean that we do not care and that we do not have very significant responsibilities and processes to look at exactly these kind of very difficult issues. The internal process reviews that you will be familiar with look at individual cases where serious harm or death has occurred. That is fed into the serious case panel that Peter has referred to, which meets quarterly. Peter attends that serious case panel. It has all the directors general across the Department. It is chaired by a senior non-executive director of the board of the Department, and that is there to take the



information from the IPRs and other information, and to look at the patterns, themes and lessons that need to be learned going forward.

I think we do have a rigorous process in place for learning from what is happening. In some cases there may be some very hard lessons for the Department. In other cases it may be that the Department was not involved in some of the terrible consequences that occurred in individual cases. The process is there to properly get to the bottom of what happens and to learn the lessons going forward.

**Peter Schofield:** And we are learning lessons. We have set that out in the annual report and accounts—the things that we are doing, the real changes that are being made through the work of the serious case panel. We published the minutes but also it is important for us to set out in a bit of detail in the annual report and accounts the things that have changed or are ongoing that will change as a result of this work.

Q73 **Debbie Abrahams:** Again we have mentioned this before, when the Committee made recommendations about the five-week wait, about how you could protect and safeguard vulnerable claimants around the UC application process, and you completely dismissed them. There are lots of positive words but I do feel that we need to see more action.

Secretary of State, you will not be aware of this, but during the inquest of Errol Graham the coroner said that he would not be issuing a prevention of future death notice to the Department—there have been five or six over the course of the last five or six years specifically to the Department—because the Department was going to improve their safeguarding policy. That is an indication that one of your members of staff who gave evidence to that Committee did believe that there was a safeguarding responsibility. I will leave that with you.

My final question is in relation to the research and so on that has not been made available. For example, there had been research by your Department and by others that has not been made available, and freedom of information reports that have not been responded to adequately. The Committee would be very pleased to know whether you are going to make a change to that and make, for example, the internal process review reports available to the Committee.

**Mel Stride:** The general answer about reports is the one that I made previously to the Chair and others, which is that it is a case-by-case basis. I set out the broad parameters on which I would approach that decision.

In respect of the internal process reviews, they contain highly personalised information—a lot of personal data—and they are there also in part to inform Government policy, because the serious case panel takes that information and considers it with other information that is available to it and comes to conclusions that are important in the way that the Department operates, so it would not be appropriate to publish the internal process reviews. But on other matters, as I say, I have set



out to the Chair the approach that I would take. I will endeavour to be as transparent as the Department possibly can be with the Committee because I do recognise that although the Government are often shy about providing information there is value in doing that. When that value can be captured then it is important that it is.

**Q74 Debbie Abrahams:** Redacted reports—I understand the point about personal information—have been made available before so it is a little disappointing that that cannot be. One of the issues that has been raised by other inquiries—for example, our health assessment inquiry—was around trust issues that claimants have. By appearing to be secretive that is not helping towards building that trust. I leave that with you. It has been done in the past. We have had redacted reports so that we could understand what you are learning and others could understand what you are learning, which is also a little unclear. I have read the minutes of the reports and so on.

**Peter Schofield:** Just in terms of transparency, Ms Abrahams, the recommendations that come from IPRs then get assessed by a group that we have, the IPR group, within the Department. It then forms the basis of the agenda for the meetings of the serious case panel, and the minutes of the serious case panel are then published. The point is that we are not seeking to hide recommendations that come out of this. We go through a process and we are then talking openly, I think, not only in respect of the publication of the minutes but also what we write in the annual report and accounts about the nature of the recommendations and crucially, as you say, the actions that we are taking in response to the work that we are doing.

**Q75 Debbie Abrahams:** I must have looked at some very different minutes. I will take the positive. The Department has stopped providing regular statistical updates on most work capability assessments, which now take place via UC. It has been unable to share key pieces of recent data—for example, on monetary reconsideration outcomes. Given this, how can we be confident that the work capability assessments are working well if we do not publish the data?

**Mel Stride:** On the point of publish or not publish, my answer would remain the same. I will certainly have a look at it. Peter, did you have any observations on that?

**Peter Schofield:** That was a specific point that the Committee asked the previous Secretary of State about, and that was one that you were going to look at as part of this process going forward.

**Debbie Abrahams:** More that we can publish would be very helpful.

**Q76 Chair:** We welcome the approach you are taking on that. It certainly seems to us that the number of work capability assessments carried out ought to be regularly published data.

Can I raise a final couple of points? We were expecting the White Paper on supporting disabled people in the course of this year. When should we





now expect that White Paper?

**Mel Stride:** Early in the new year.

Q77 **Chair:** Can you give us an update on progress with the health transformation programme and the plan for a new single integrated health assessment service?

**Mel Stride:** We have, as you will know, been piloting with London and Birmingham. My understanding is it is going well but Peter will probably provide more detail.

**Peter Schofield:** If you remember—we talked about this before—there are two elements to this. One is the new contracts for health assessments, which we are due to now put in place from the beginning of, I think, March 2024. Those will provide a single assessment service across all parts of the country. Bringing together under one supplier in each place work capability assessments for Universal Credit on the one hand and the health assessments for PIP on the other hand. That will give us a single provider in each place, which will have some benefits, and those contracts will last for five years.

During the course of those contracts the second element starts to come in. The work that we are doing in what we call these health transformation areas, starting with the two places that the Secretary of State described, will help us to inform how we can then build a different service that is trying to do different things to try to improve the whole process of the health assessment journey that people go on.

I cannot remember whether I have talked to the Committee about this before, but one example is having a case manager for individuals, so when you go through that health assessment process you do not feel like you are being passed from one person to another along the line. There is always someone who is working with you on your claim as you go through, and we think that will have a number of advantages. We will add cost to the process on the one hand, but the advantages are that it will help claimants understand the process better, help them to produce all the right evidence that they need up front so that we can make the right decision earlier on in the process. We do not get the risks that evidence comes down later and we end up in a mandatory reconsideration or an appeal.

Obviously it can also help people who perhaps have a condition that is not appropriate for a disability benefit not to find themselves going down a process and at the end of it they find they do not get a positive answer, but to be directed to more appropriate sources of support. That is one example of a number of things that we are trying.

Q78 **Chair:** That will all happen nationally from the beginning of 2024, will it?

**Peter Schofield:** No, the contracts that we are putting in place from 2024 are about bringing together—it is a more conventional service but



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you are bringing together the two types of service in one place. Quite a lot of people have a work capability assessment with Universal Credit and also then apply for PIP, and they will find themselves talking to completely different providers. This way you are talking to one provider who may be able to better co-ordinate that service and that support. There may be the opportunity to make better use of evidence between the two different processes.

**Q79 Chair:** When would the fuller integration you were talking about a moment ago take effect?

**Peter Schofield:** We will build it up during the course of the next five years. The contracts that we are negotiating for 2024 will allow us to do more of the in-house work that we have described in the two centres, to roll that out into increasing parts of the country. As we develop that in house, we can then play that back into new contracts with suppliers or decide to do it in different ways more broadly. It is a long process but it is a hugely complex process. I am absolutely determined to change the whole experience that people go through when they apply for disability benefits.

**Q80 Chair:** My last question: can you tell us where you have got to on setting a new and more stretching target for disability employment? Secretary of State, you made the point earlier that the disability employment gap is, I think you said, a very useful metric. We have argued for a target of halving the disability employment gap; where have you got to in terms of deciding what that target should be?

**Mel Stride:** I do think it is an important metric. As I think I said in answer to an earlier question, that particular metric has improved and then slightly gone in the wrong direction, but the general direction of travel is pretty good. What I would add to that is the success that we have had with assisting disabled people into work. We had our access to work programme—the challenge of getting a million more disabled people into work by 2027—and we hit that target five years earlier than previously planned. As to its status as a metric and a target, perhaps Peter can add something to that.

**Peter Schofield:** I think it is one that we would look at in the context of the work that the Secretary of State described at the beginning in terms of what are the right metrics to look at. We have already, as has already been stated, achieved the 2017 manifesto commitment on disabled people in employment. The employment gap has been going down, moving in the right direction, but it still remains stubbornly high. That is something that we need to look at in the context of how we set our plans going forward for driving down levels of economic inactivity more broadly.

**Q81 Chair:** Will the new, more stretching target be in the White Paper?

**Mel Stride:** You will have to wait and see. My lips are sealed on what will be in the White Paper at this stage.



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**Chair:** It would be quite disappointing if there was not a target; we will look forward to seeing it.

That concludes our questions for this morning. Thank you both very much for being with us. The very helpful approach you have taken, Secretary of State, augurs well for the Committee's relationship with the Department under your leadership. We look forward to you coming back on 11 January when no doubt some of these points will be picked up again. Thank you all very much. That concludes our meeting.