Work and Pensions Committee

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

Wednesday 29 March 2023

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Watch the meeting

Members present: Sir Stephen Timms (Chair); Debbie Abrahams; Siobhan Baillie; Neil Coyle; David Linden; Steve McCabe; Nigel Mills; Selaine Saxby; Dr Ben Spencer; Sir Desmond Swayne.

Questions 82 - 182

Witnesses

I: Rt Hon Mel Stride MP, Secretary of State Department for Work and Pensions; Katie Farrington, Director General for Disability, Health and Pensions, Department for Work and Pensions; and Katherine Green, Director General, Labour Market Policy and Implementation, Department for Work and Pensions.

Examination of witnesses

Witnesses: Rt Hon Mel Stride MP, Katie Farrington and Katherine Green.

Q82 **Chair:** Welcome, everybody, to this meeting of the Work and Pensions Select Committee and a very warm welcome to the Secretary of State, Mel Stride. Thank you for joining us this morning. Could you introduce your two colleagues to us?

Mel Stride: Perhaps they can themselves.

Katie Farrington: Good morning, I am Katie Farrington. I am Director General for disability, health and pensions in the DWP.

Katherine Green: Morning, I am Katherine Green, Director General for labour market policy and implementation in DWP.

Chair: Secretary of State, I think you wanted to make some points to us at the outset.

Mel Stride: Yes, I thought I might, with your permission. First, thank you for your invitation to appear today and, as I said at my last appearance or my initial appearance before your Committee—and I do think it is an important relationship that we maintain in a constructive way—I see it as a relationship that will allow the Department to be more efficient and more effective going forward, so I am very pleased to be here.

I thought I might set the scene a little bit on economic inactivity, because clearly a huge amount has changed since we last met back in November, in that the Chancellor has now delivered the spring statement and, with that, a lot of the detail about the things that we were speculating last time around.

It might be useful for the Committee to set the scene in terms of where this country is with economic inactivity because, quite rightly, there is inevitably a huge amount of focus on the challenges and the various interventions that we are looking at. However, it is the case that overall if you look at other countries, like across the EU, the G7, the OECD, on average we are lower than the average economic inactivity across those different cohorts.

The record of the UK generally on economic activity has been good, however it is the case that, as with all other countries, economic inactivity spiked up as a consequence of the pandemic and, whereas with most other countries it has come down to broadly where it was before, it has in our case been rather sticky. That is not to say there has not been progress over the last few months. There has, but it has been a little bit sticky.

That is the context that we are looking at: driving those numbers down. The point I would make is that, from where we are starting, it is not too bad a place.

What the Chancellor was able to announce was a £3.5 billion programme over five years. We will no doubt get into the detail of the various interventions that we are looking at, but broadly he focused on the over-50s, on the sick and disabled, on those who are currently within the Jobcentre Plus welfare regime and also on parents. I will not dwell on the various measures there because no doubt we will come to those as we go forward.

That is broadly where we are as a nation at the moment, and that is broadly the focus that we have with the measures that we brought forward.

Q83 **Chair:** We do have quite a number of questions for you in that area, and Sir Desmond Swayne has some questions in a moment. First, can I ask you about the correspondence we have had about Baroness Neville-Rolfe's review of the state pension age? Why has that not yet been published?

Mel Stride: What I, and I think the Minister of Pensions, have always said is that it will be published at or before the point at which my final report is delivered. Under the terms of the relevant Act, that must be no later than 7 May.

I may be pre-empting your next question, but I am aware that when John Cridland appeared before your Committee, I think he pointed to the value, as he saw it, of issuing an interim report prior to his final report. I do see two sides to this. I see value in getting information out there—for example the BNR report and maybe the GAD report that will accompany it—inasmuch as it allows further debate around the proposals that are being brought forward. I also see that, in a sense, it narrows that debate because it narrows it around the conclusions that those reports inevitably draw.

It should be borne in mind that, when I was appointed on 25 October by the Prime Minister, this whole process had been going for some time. What I am saying is that I see the pros and cons of getting that information out earlier. I am not minded to do it this time. That is not to say that if I had not been in at the start of the process or I was involved the next process, that I would not come to a different conclusion.

Q84 **Chair:** The trouble at the moment is there is not a debate because nobody knows what evidence the Government are looking at. The benefit is pointed out to us of having a document published so that people can then consider it, and it contributes eventually to the Government's decision. You did tell us in November that it would be "quite sensible" to have that report out there, given that it will certainly be informing the decisions I and others are taking. Have you changed your mind since then?

Mel Stride: I have set out my thinking, which is where I arrived at, and I have shared that with the Committee a moment ago. In terms of informing debate or an absence of an understanding of the main moving parts—if I might put it like that—those aspects are understood. For example, it is understood that, under the terms of the Act, I have to consider explicitly the number of years that people will have in retirement among such other matters as I may choose to deem appropriate, and the basis on which Baroness Neville-Rolfe was asked to produce her report, and it includes that particularly important metric.

Other things that, quite rightly, people have discussed in public in this regard have been things such as intergenerational fairness and the affordability in terms of the public finances. I think all those parts are understood but, without repeating what I said earlier, the downside of coming out sometimes with this stuff too early is that it starts to narrow the focus in on what is perhaps one set of options rather than looking at all the different things, including those that I have just identified.

Q85 **Chair:** You did make the point to us in November, the more transparency there is, the better. Is that still the starting perspective that you bring to this?

Mel Stride: I am broadly where I was when we discussed this last time, which is that, all else being equal—that is an important qualification—there is value in transparency and public scrutiny and scrutiny by Committees such as this, or various aspects of the workings of Government, including reviews and reports and so on. There is also this issue of having a safe space in which Ministers can interact with one another and officials and those outside of the Department in terms of developing policy. It will always be a case of trying to get the balance between those two. The short answer to your question is yes, transparency does matter but I do not think it is appropriate in all circumstances.

Q86 **Chair:** As you have told us, Baroness Neville-Rolfe's report will eventually be published so it does not come into the category of private advice to Ministers. It is quite difficult to understand why the Department has sat on it for six months so far without letting the public see it.

Mel Stride: As I say, I presented two observations on that. First, I think the report, if it were out there before my decision was taken, would serve to narrow debates as well as inform debates. I accept that. However, there is a balance. It is not a one-way street.

Secondly, as I said earlier, I have come into this process when it has had several months of momentum behind it. It is quite conceivable that, had I been at the start of this, I might have come to a different conclusion, but where I was when I landed in an organisation with 90,000 personnel and a budget of a quarter of a trillion on 25 October, I took the decision not to do it on this occasion. If I am there in some years' time, I might come to a different conclusion.

Q87 **Chair:** That is helpful. Two weeks ago the Information Commissioner ordered the Department to publish its research on the impact of benefit sanctions. Will you comply with that order?

Mel Stride: He also granted leave to appeal, and I can inform the Committee this morning that I have decided not to appeal and that the information will be released. I say that observing—of course, you have not had sight of this report yet, but you will—that I do think it presents a very incomplete picture, and I do think that the reasons and rationale that there will have been for not releasing it were perfectly proper and acceptable. I also believe that, on balance of the interests that there has been shown in this particular document, the extent to which you have requested its release, and in the spirit of the greater co-operation and closer working between my Department and yourself and your Committee, that it is appropriate to release it.

Chair: I am delighted to hear it; thank you for letting us know about it.

Q88 **Sir Desmond Swayne:** You have given us a taster on your findings on economic inactivity. Perhaps you could expand on that. What are your priorities and are there any other policies up your sleeve that were not covered by the Chancellor in his Budget statement?

Mel Stride: Perhaps I can start with the second question first. It is a very pertinent question. We always want more resources. Every Department wants more from the Treasury, so it will come as no surprise to you that we were pushing for further things that of course inevitably you do not get. I would characterise those as being more of what we do have. I think there are things that we are rolling out, such as Universal Support, and I would like to see it as an even bigger programme that it is going to be.

However, I am very content that within the parameters of what was possible we have landed in a very good place; £3.5 billion over five years is a large amount of money. There is a key issue here, which involves the Office for Budget Responsibility, and the approach we have taken to the problems that we are talking about addressing. If I can explain that. The OBR tends to score, although "score" is not technically the right word, because what we are seeking the OBR to do is to say, "There is an intervention here. This will have an impact on employment and, therefore, on growth and, therefore, on the fiscal headroom that the Chancellor has to play with". Understandably perhaps, it has a tendency to score that which you have done in the past and for which you have evidence that it works.

There are a number of things that we are doing here, which I passionately believe will work and yet they are relatively innovative. It is important that be that and we discussed that in my initial appearance before your Committee. I raised this whole issue of doing things differently and innovation. Therefore, in my opinion, the OBR has sometimes not given credit for some of these measures and the impacts that they will deliver.

As to the broader questions as to what those interventions are and where the focus has been, as I think you put it. The over-50s is clearly a very important group. The propensity for them to leave the labour force during the pandemic was particularly high, along with young people and those who are presenting with health conditions.

The focus for the over-50s has been things like the midlife MOT, which is an opportunity to assess the financial position of these people but also their skills and the support that they need, returnerships and swaps—I will not dwell on these because no doubt we will go into detail. Then for sickness and disability, obviously there has been the White Paper, which I think will be important, and Universal Support and WorkWell. With those who are currently in the system with jobcentres, changes to the administrative earnings thresholds and bringing more people into support and conditionality and, importantly, changes to childcare, both in terms of the provision and the basis on which it is available for those within UC.

There is a lot that I have covered there by touching on them and no doubt we can go into more detail, but that has been the main thrust of what we have been doing.

Q89 **Steve McCabe:** Secretary of State, you identified in your opening statement these four target groups that the Chancellor referred to. Do you have any priority order in mind in terms of which groups are the most likely to reduce economic inactivity or are you treating them all exactly the same?

Mel Stride: You can put forward a case for every single group being a priority. That is why we are going broadly across all the groups to do the maximum that we possibly can. I would make one overarching observation: it is particularly important that we reach out to and support and help into the workforce or to stay in the workforce those who are relatively close to the labour market. That is, they may not have been out of work for too long, who are presenting health conditions, and where we know that, if that situation persists for a longer period of time, it is sadly not too long before those particular people end up quite a long way from the labour market and become increasingly difficult to get back into work.

That touches on elements of what we are doing, such as our occupational health pilots where we will have a very good look—particularly among small and medium-sized enterprises—at how we can up the ante on the provision of occupational health to stop people falling or help them not fall out of work in the first place: things like WorkWell, which we might come on to, to make sure that we get the treatment to those that need it as early as possible, and that we do it alongside the provision of support into work. I think that is a particularly important observation overall.

Q90 **Steve McCabe:** I can see why that would be important as about 42% of the long-term sick and disabled category are economically inactive.

I was contacted by a single mother in my constituency the other week, after the Chancellor's announcement. This is someone who has a kidney tumour. She has to catheterise herself several times a day—a lot of pain. She has issues with retention. She wondered if she was likely to be in the long-term sick and disabled category. They seem quite broad categories. How should I go back to her? Should I say that she is likely to be excluded or she is likely to be encouraged to take up a job, or she will be invited in? How will you tackle this?

Mel Stride: I don't think I can be drawn into a specific case and opining.

Steve McCabe: I am giving a description of the kind of problem.

Mel Stride: I understand. You are quite right to raise the point and I take it as a general point. In terms of what happens to individuals in different circumstances, Katie, you might like to tell us a bit more about that.

Katie Farrington: What we are trying to do here is give people the support that is right for them, to help them get into employment. For some people that might be access to one of these new programmes that we have funded through the Budget. Universal Support is effectively support to get somebody into work and help them to remain in work. Support for the individual and support for the employer.

WorkWell, as the Secretary of State says, is intended to be a gateway into the NHS. If the barrier for the individual might be mental health condition or a muscular skeletal condition like a back problem, help and access to clinical support. Then we have additional work coach time. Without trying to get into the circumstances of your individual constituent, there is a range of support on offer. Of course there will be some people for whom work is not the right answer and it is not appropriate for them, but what we are trying to respond to is a large group of people who would like to work, would like to try work and to give them the support that is appropriate for them.

Q91 **Steve McCabe:** Is Universal Support all new money or is some of it funded from the existing Access to Work budget?

Mel Stride: This is all new money. This is money in that £3.5 billion.

Steve McCabe: It is entirely funded from new money?

Mel Stride: Yes.

Q92 **Steve McCabe:** I don't think that many people would disagree with your overall aims here, but how will we know if you are succeeding? What will be the measures of success and what will be the frequency with which you will report progress?

Mel Stride: All of our major programmes are analysed in-house. One of the frustrations that I have had around this process is often that it is so thorough that by the time you get the results, the caravan has moved on and you are looking at something else, albeit that there is always something to learn from what you did in the past. I think I can assure the Committee there will be thorough assessments made, including as we go along, and some of the measures of course are being piloted specifically for that purpose. It will be very rigorous.

Q93 **Steve McCabe:** I assume that you put a stress on the long-term sick and disabled for understandable reasons. If that is roughly about 42%, in terms of economic inactivity at the moment, should I expect to see that go down by 10%, 15%? What would you feel was a reasonable achievement?

Mel Stride: What we have to do is have interventions that maximise the chances of reducing the level of economic inactivity, and that is what I believe that we have come forward with. I am not in a position to start speculating over what period of time we might have, what level of movement. The OBR overall has expressed an opinion as to what it feels the reduction in economic activity, or should I say the increase of the numbers in employment compared to the counterfactual might be. There are some assessments out there but it is clearly one of the metrics that we will be looking at very closely as we move forward.

I did raise when I appeared initially before the Committee this whole issue of being very careful to unpack the effects that are happening due to externalities that are not about the intervention—for example, a rising economy and a tightening labour market, or whatever it may be, and those effects that are truly due to those particular interventions. I can give the Committee the assurance that that is the eye through which I will be viewing what we are doing. I do expect to be holding these different interventions to account, based on what they are delivering rather than, in some circumstances, all the boats rising with the tide.

Q94 **Steve McCabe:** I only ask that because I was struck when you told me, during Works and Pensions questions in the Commons a few weeks ago, that you thought even one young person long-term NEET was unacceptable. Since that is your view, do you have some kind of ambition for where you were trying to get to?

Mel Stride: As I say, I have a huge amount of ambition. I have spent the last five months in very intensive discussions in the Department with stakeholders as to how we best move the dial in the various cohorts that we have been discussing. I am confident that the measures that are coming forward can do just that.

In terms of: if you are asking me whether I can trot out lots of precise numbers exactly right now—

Steve McCabe: I was hoping for it.

Mel Stride: I know, tempted though I am to start casting figures around. The OBR has an assessment of that, which I think is personally rather on debate but there are some assessments out there made by economists and others.

Q95 **Steve McCabe:** DWP's current employment schemes are targeted on unemployed people who are looking for work and are already in contact with the jobcentre. A very high proportion of the people you need to get into work are not in that position. How will you open up your engagement and your support to engage with these people?

Mel Stride: That is a very fair observation. Only about half of those who are economically inactive have an interaction with the Department because they are not receiving benefits of any form. That is where things like, for example, midlife MOT—where I think we have contact with about 10% of that cohort—is very important, because that can be promoted through pension providers, for example, to individuals who are not on benefits.

Similarly the childcare offer, of course, will go far wider than those who are on UC. For example, if you look at the OBR's analysis, that is what will shift the dial the most in its opinion. It is in that area that it will have the most impact. That is another example of a very broad intervention that will go much wider.

Q96 **Steve McCabe:** Will the Department engage with the people who seek to take advantage of the childcare offer in some additional way to see if you can help them into the employment market?

Mel Stride: Katie, you want to come in. We will go to childcare to Katherine.

Katie Farrington: Can I come back to your previous question about people who are not in contact? I think it is absolutely right to raise it, and that is why for us that partnership between work and health is important. We have a joint unit that sits between DWP and the Department of Health and Social Care, and a number of the interventions that we use now are effective at getting people into employment. The referral route is through the NHS, through the GP, through the occupational health system, or through the local authority. We are definitely trying to build on that as we roll out this new serve offer.

Mel Stride: On your point about childcare and what the Department will be doing, two of the key things that we will be delivering is, first, untying this knot of this up-front first month payment. The Flexible Support Fund will make that payment up front to the provider and that will be reclaimable by the customer at the end of that first month, as if they had made the payment. That will then set them up for the next month's payment. That will make a huge difference, and the OBR recognise that.

The second change is to uprate the maximum amounts that can be captured within the payback arrangements—the 85%, and so on—which once again will make a big difference. Those are measures that we can bring in relatively quickly, by around summer, for example. I am pressing officials to move as quickly as we can on that.

Q97 **Neil Coyle:** This follows on from Steve's question. What is the primary cause of economic inactivity for under-25s?

Mel Stride: A very big element would be mental health issues expressed in the form of anxiety, for example—that would be one of those elements. I don't know, Katie, whether you want to add something to that.

Katie Farrington: To add to what the Secretary of State said, we are definitely seeing a rise in mental health conditions generally and we are seeing a rise in mental health conditions among young people, as the Secretary of State says—anxiety and also phobias.

Q98 **Neil Coyle:** The work of the Prince's Trust and the Learning and Work Institute on this is amazing—I should give a quick plug for you to visit the Prince's Trust in Bermondsey and Old Southwark at any point; I am sure they would love to have you down there. Katie, how are you using it? You mentioned the clinical interventions that can be commissioned. How is that linked together, and how much is being spent on the commissioning work by the Department for Work and Pensions rather than the Department of Health?

Katie Farrington: It is a good question. Alongside our package funded through the Budget, there are a number of measures funded through the Department of Health. Probably two that are worth mentioning are digital talking therapies—so, IAPT therapies, which the Committee will be aware of. The NHS has been funded to digitise that support, which is perhaps particularly relevant to young people.

The other intervention that has been funded is an intervention called IPS, or individual placement and support, which is for more severe mental health conditions. Alongside our set of interventions are a suite of interventions that are extremely complementary for these groups.

Q99 **Neil Coyle:** Are you able to provide any statistics on that? In writing is fine afterwards if not right now.

Katie Farrington: I am definitely happy to give the figures that were in the Chancellor's Budget.

Neil Coyle: This is new, this is not something that has been going on for some time?

Katie Farrington: You are quite right about this. There are a number of things that have been going on for some time and then the things I have just described are all new.

Neil Coyle: Is any of that new work being done in partnership with local authorities?

Katie Farrington: Yes, particularly WorkWell. The idea of WorkWell is that the integrated care system would be delivered locally and in partnership, so both with the local authority and with the ICS. We see WorkWell very much as something that sits in between these two worlds of work and health, and where the referral routes could come from various different places. It could come from the GP. It could come from the employer, and the occupational health service could come from the work coach. The provision would be delivered in partnership locally with the local authority and the ICS.

Q100 **Neil Coyle:** There has not been a barrier to the use of the Flexible Support Fund for a similar approach in the past; it has just not been done on a national scale or with national drivers—is that right?

Katie Farrington: I think you are right. The Flexible Support Fund has been used for various different things locally of that order. This is a more significant, larger programme.

Mel Stride: I visited a GP surgery in Birmingham in the last week and saw this kind of thing happening, because at the local level in the West Midlands they are doing this stuff. It is fantastic because it means somebody—a young person, for example—goes to the GP and says, "I am not feeling great," and they are holistically looked after in the sense of both the medical element, but also in terms of interacting with a work coach, getting into work, which as we all know in this Committee, has very positive outcomes other than just purely financial outcomes. It is good for your health.

Q101 **Neil Coyle:** Will the Flexible Support Fund underspend be used to top up this or on top of the money announced in the Budget? Is there an intention to use FSF funding for this?

Mel Stride: The short answer to that is no. I think, but I would have to come back to the Committee on this, that the Flexible Support Fund, to the extent that it is not exhausted at the end of the year, would be ring-fenced. I think that would be the end of it. I don't know, Katherine, you might—

Katherine Green: It is an operational fund that is used flexibly by operational managers locally, so we would not lose any underspend. We would just use it elsewhere operationally to the end of the year. However, the main point about the Flexible Support Fund is that it is for short-term in-work help. Things like training or buying a new piece of IT, if that is needed, or a new suit for an interview. As the Secretary of State has said, it will be the fund through which we will pay the up-front childcare costs, which we have announced in the Budget.

Q102 **Neil Coyle:** Was it a mistake to shut Kickstart rather than redirect some of its resource to this specific group of young people with mental health conditions?

Mel Stride: The charge against Kickstart is that often its aspirations were not met. In fact, it helped 163,000 young people.

Neil Coyle: The target was 250,000.

Mel Stride: Yes, but then the question becomes: why was it not 250,000? The answer is that the outturn in the economy, thanks to the then Chancellor's—now Prime Minister—interventions around furlough, business loans and things, was such that things were not as bad as they might have been. It was not a case of the scheme failing, it was a case of the Chancellor of the day having been successful enough to blunt the problem.

Neil Coyle: I will be sure to tell businesses in my constituency that is why they did not get the young people they were promised through the scheme.

Mel Stride: I cannot comment on your particular businesses.

Q103 **Neil Coyle:** I think Katie has already said she will send some figures to us afterwards, but how much of that £37.5 million of new funding is for the innovative labour market pilots for young people and mental health? How is it split?

Katherine Green: The £37 million that you are talking about, which is the line in the Budget, is to be used flexibly across all of our pilots. Decisions will be made on that, so we have a huge amount of flexibility in agreement with the Treasury. There is no defined amount at this point for particular pilots.

Q104 **Neil Coyle:** What is the total budget for the mental health interventions on the clinical side?

Katie Farrington: Of the £3.5 billion that the Secretary of State is talking about, £2 billion for the five different health and disability measures, additional work coach time, Universal Support, WorkWell, and the occupational health provision. We can give you the data from the Budget.

Chair: That will be useful to see.

Neil Coyle: It is how it is spent going forward that I think is useful for the Committee—top line from the Budget and then ongoing to the Committee if that is possible, please. That would be welcome.

Mel Stride: We will provide whatever we can.

Q105 **Siobhan Baillie:** On mental health, the rise of people reporting mental health conditions is absolutely massive and was expedited post-pandemic as well. However, we could get people work ready, we could get them in a good place, and we could do the health assessments and do all of that, but if employers are nervous and worried about taking on people with long-term health conditions or mental health conditions, we will not get people into work or enable them to stay there.

What is the Department doing and what can we realistically do with employers? Do we need other Departments to get involved with this, maybe the Treasury or tax incentives or something like that, so that we can support employers to support people? Because this is going to go on for a number of years this, isn’t it?

Mel Stride: I will come to Katie in a minute, but you are absolutely right to identify that employers are inevitably very central to this. We have touched on their WorkWell programme, which, at the heart of it, is some health support but also the work support. Within that is close working with employers, staying with that individual, working with the employer to make sure that the job works out.

The same lies at the heart of Universal Support. Find the opportunity, place the person into it, and then sit alongside them for a period of 12 months as a minimum in order to make sure that the employer and the employee are making it work.

In terms of occupational health, which we have mentioned, you mentioned the tax system. I do not think it is our consultation, but I think it is a Treasury consultation, which will be around whether you could use the tax structure to incentivise better provision of occupational health, particularly on smaller companies who are less likely to embrace it. I don't know if you want to add anything.

Katie Farrington: I agree with everything you said.

Q106 **David Linden:** Let's start with a very simple yes/no question: do you believe in evidence-based policy?

Mel Stride: It would be rather odd if I said I did not. I think you can safely know the answer to that first question: yes, of course.

Q107 **David Linden:** Over the course of the last while, the Committee has taken evidence from a number of people—think-tanks, academics—on conditionality. Dr Katy Jones said they did not work. The IFS have said on sanctions that, as a result, "The policy produces fiscal savings indistinguishable from zero. Furthermore, we find negative effects on the mental health of individuals who remained out of work, though positive effects for those pushed into work".

Even the conservative think-tank Bright Blue published a report last year pointing out the inadequacy of the current levels of social security payments and advocating, and again I quote, "A benchmark should also be set under which benefits cannot fall below even if a sanction was applied to their recipient". They are all right; sanctions, don't work, do they?

Mel Stride: I disagree with that.

David Linden: Why?

Mel Stride: Because there is evidence—and I am happy to write to the Committee on that matter—that that is the case. I do not know the specific details of the people that you have raised and the work that they have conducted. It is typically the case that one of the things that is not considered, when answering the question whether sanctions are effective or not, is the deterrent effect that sanctions have over a wider audience of those who are not at any point themselves sanctioned. That is the first point.

The second point, which I think most people would feel was reasonable, is that if somebody is in a position where they are able to work, they are being provided with support through the benefit system and, for example, they are failing to turn up to appointments with a work coach—we are not talking about appointments every day; we are talking about periodic appointments with a work coach, which is the source of over 97% of the current sanctions in operation—then it is not unreasonable for there to be some form of consequence for that.

On the point of conditionality that you raised at the beginning, conditionality has been a feature of the welfare and benefits system, the employment benefits regime, since the founding of the welfare state. This is nothing that is new. Once again, when we use this term "conditionality", you can see it. Perhaps it is the way you are projecting it today as something that is onerous and perhaps potentially unnecessary and unreasonable. I do not see it that way.

I see it as support. I think all the things we have discussed in this session—for example, WorkWell and bringing in the appropriate medical support alongside work and Universal Support, helping people into work and keeping them into work by liaising with them and having staff to do that—are hallmarks of a caring society that wants the best for people. When I hear the word "conditionality", that is what I hear, rather than something that is unnecessary and unreasonable.

Just to get back to sanctions, because I think this is an important point, a sanction is only applied where something that is basically unreasonable and was avoidable on the part of the customer has occurred. Where a sanction may otherwise occur but there is a perfectly reasonable reason why for example, somebody did not attend a particular work coach session, that is taken into account. Work coaches have the discretion not to apply or seek a sanction. The sanctions themselves work through a process whereby the work coach refers the possibility of a sanction to a decision taker. That is somebody who is independent of that interaction between the work coach and the claimant.

There is the potential for an appeal against a sanction to an independent tribunal and there is a hardship fund available for those who are sanctioned and, as a consequence of the sanction, find themselves in a very difficult financial situation. I am satisfied overall. Inevitably, in a vast system with many of these kinds of attractions happening, I am not saying it is entirely perfect and it never will be. However, the fundamental principles and the processes that are employed here are right.

Q108 **David Linden:** You mentioned earlier on that you had been out to see some staff in Birmingham, and you are a Secretary of State that generally gets out and manages to visit jobcentres and organisations. When was the last time you met someone who had been sanctioned at that point?

Mel Stride: I think the honest answer to that is I am not sure that I can recollect when I might have met somebody who has been sanctioned.

David Linden: You have not met anybody who has been sanctioned?

Mel Stride: What I would say is I have been to jobcentres—

David Linden: It is just a yes/no question. Have you ever met somebody who has been sanctioned?

Mel Stride: I do not know. The level of sanctions is currently about 6%; it was prior to the pandemic about 3%.

David Linden: Can I just confirm that you have never had interaction with somebody who has been sanctioned?

Mel Stride: I do not know because, when I have met those that are going through the system, I would not typically say, "Oh, my name is Mel Stride. I am the Secretary of State. Have you been sanctioned?" I do not know the answer to that.

Q109 **David Linden:** Do you know how much the average amount is that someone loses when they are sanctioned?

Mel Stride: I think we can, Katherine—

David Linden: Secretary of State, I am asking you the question.

Mel Stride: I appreciate that. Off the top of my head, I would not know what the average is and I do not know.

Q110 **David Linden:** It is £600. If someone is starting from a standing start where they only receive state support, they are not incredibly wealthy, perhaps like yourself, and you remove all of that state support from them what then happens at that stage?

Mel Stride: As I say, there is a hardship fund, there is a measured and proportionate approach that is taken within the system as to whether a sanction is applied in the first place. The sanction applies, as you know, to the standard allowance, not to the other elements of Universal Credit.

Could I also make the point that, when we talk about sanctions, they are there for the purpose of trying to have a system that ultimately ends up with more people going into work and work being the way out of the kind of difficulties and pressures that you are rightly describing?

David Linden: You have pretty much conceded this morning that you have never spoken to somebody who has been sanctioned.

Mel Stride: No, I did not say that. I said that I did not know.

David Linden: You have not been able to cite any opportunities—

Mel Stride: No, hold on. Let's be accurate as to exactly what I just said. I said that I do not know whether the UC recipients that I have spoken to have necessarily been subject to a sanction or not. In many of those conversations, frankly, I think it would be rather indelicate to go into that kind of detail with those people. That is quite distinct from saying that I never have.

Q111 **David Linden:** I meet people just about every week who have been subject to conditionality. What a lot of them tell me is that being sanctioned pushes them into destitution. They have to be fed by the local food bank, they have to rely on the charity of people in their community, they experience mental health crisis as a result of that. May I gently suggest to you, Secretary of State, that if you are looking to get people back into work, plunging them into further poverty and destitution is not a particularly good way of doing that? I want to move on to the—

Mel Stride: Can I just clarify that? I know you are the one to ask the questions but, for a point of clarification, are you saying that we should not have a sanctions regime at all? Are you saying scrap the whole thing?

David Linden: I am suggesting there is a much better way of doing things. It seems to me perhaps your understanding of sanctions is very theoretical and not based on how it interacts with people on the ground. The fact that you have not been able to tell me today what your conversation with somebody who has been sanctioned has been like strikes me as being telling.

Mel Stride: What is—

Q112 **David Linden:** I want to move on, Secretary of State, because I know that time is tight. The cost of living payments, if you have been sanctioned you do not receive that. Therefore, does that mean that people are being double punished?

Mel Stride: As I say, there is a hardship fund that is available. There is also a process that I have described, which is very measured and very proportionate and does take into account the financial situation that somebody who may be sanctioned is in. It is the case that a sanction can be waived. There is no minimum amount that is required when it comes to sanctioning. I believe there is a system there that takes into account the circumstances of the individual involved, and makes sure that a measured and proportionate approach is taken to sanctioning.

I do stand by the importance of having sanctions within the system. It is very easy to stand on the outside and say all these things are completely wrong about it.

Q113 **David Linden:** You and I are disagreeing on the fundamental approach on sanctions; we accept that. We put that to one side. However, if someone has been sanctioned and the Government have brought forward a very admirable aim to bring in cost of living payments to help with the cost of living crisis, why should that person be doubly punished? The legislation that your Government have brought through means that if someone is sanctioned, not only are they punished by way of a sanction, but they also do not get the cost of living payment.

Mel Stride: What I am saying, just to repeat, is that what I think you are pointing to is that there may be a situation where somebody is sanctioned, does not qualify for a cost of living payment arrangement and thereby ends up in a very difficult financial position. What I am saying is that the system is designed so that that end result should not occur. In other words, there are hardship payments available. There is a process that takes into account the situation that the individual is facing. There is an appeals process to an independent tribunal. There is the possibility of not applying a sanction at all under those particular circumstances. I think that the safety net is built into the system.

Q114 **David Linden:** I am not sure that my caseload would support that, but I have two further questions. The Budget talks about a more intensive conditionality regime. What does that mean?

Mel Stride: It means that we need to have something that is sufficiently applied and consistently applied across the piece. It does not mean any change in sanctions policy.

David Linden: The last question I want to ask is this. Sir Stephen has already touched on issues about transparency; I am very glad that you are publishing that research your Department has undertaken and to benefit sanctions. I am slightly concerned—and I have noticed a pattern emerging when it comes to written questions from your Department—that it is increasingly relying on saying that publishing information would incur disproportionate costs.

I will leave with you, Secretary of State, an answer that Guy Opperman gave to my colleague Chris Stephens, who has routinely asked questions about sanctions and the total sum of income lost to claimants. Previously, the Department did provide that. You will see from this answer that the Department is saying that it will now no longer do that. I would be grateful if you would go away and find out why the Department's position has changed, and perhaps move back towards that position of transparency that we all appreciate.

Mel Stride: I am happy to go away and look at this issue.

Chair: Thank you. We have two brief follow-up points from Neil Coyle.

Q115 **Neil Coyle:** The first is linked to the earlier point you made about the study of the impact of sanctions. You mentioned that the Department is not appealing that decision. When that report is coming out—perhaps you could tell us when it will be published—what is the schedule of activity around that and will you meet with people affected by sanctions or organisations representing people affected? Can I urge you to include councils and food banks among that? Some people assume that a sanction is free to the state. It is not: if councils pay discretionary housing payments for the period that someone's benefit is cut, there is no saving to the public purse. Could you tell us if you already intend to do that?

Mel Stride: Sorry, when we publish this, do I intend to speak with those who are affected by sanctions and food banks?

Neil Coyle: Yes, the individual—

Mel Stride: I visit food banks. I am familiar with food banks. We all do as Members of Parliament.

Q116 **Neil Coyle:** It is specifically about what is in that report and what the Government intend to do, given you have a schedule of activity coming and you have a report out on the impact of sanctions to date. Perhaps something specific on the impact and how that will be mitigated would be useful.

Mel Stride: These will be useful conversations when it is out there in public to talk about that. I have no doubt the Committee will show a keen interest telling faults, as you have done.

Q117 **Neil Coyle:** Nothing is planned at the moment?

Mel Stride: In terms of talking about the content of the report prior to its publication?

Neil Coyle: In terms of talking to the people directly affected or the organisations representing them or supporting them through that sanction period.

Mel Stride: In the Department and through our work coaches, every single hour of every working day, we are—

Q118 **Neil Coyle:** You personally?

Mel Stride: The Department and the work coaches—of which there are the best part of 15,000 people—are constantly interacting. I have conversations with work coaches and I have conversations with officials and others who have a lot to say about these particular issues. That is an important form of engagement.

Q119 **Chair:** Do you know, Secretary of State, when will that report will be published?

Mel Stride: I don't have a precise date, Sir Stephen, but can we get back to you on that? It will not be too long.

Q120 **Dr Ben Spencer:** Good morning, Secretary of State. I have two quick questions. First, would you agree with me that it is perfectly reasonable to expect people who are fit and able to work to attend interviews as part of the process to return to work and that their receipt of benefit should be contingent on that?

Secondly, I have businesses that tell me all the time that they have difficulties with recruitment, because they end up getting interview slots packed out by people who have no intention of actually taking up that position. They do it to game the system to make sure they can show evidence that they have attended interviews. Will your work to tighten the sanctions regime going forward look at making sure that people cannot game the system, and ensure that people who are in receipt of benefits and are fit for work can demonstrate that they are trying to get into work?

Mel Stride: Thank you for that. With the term "tightening the benefit system", it is important that I am clear about what we are saying about sanctions in that regard, which is the answer I gave earlier to David. It is about consistency and it is about the efficiency with which the existing arrangements work. We are not changing policy on sanctioning but, within the existing policy, if individuals are, in the opinion of the work coach, being offered jobs and work and choose to turn that down in an unreasonable way, they would come into the purview of being sanctioned.

Similarly, in terms of the scenario you have described where somebody might go along and clearly has no interest in working, it is down to a human being—that is, the work coach—to assess that situation and take the appropriate action.

There is an important thing here. It is absolutely right that we focus, as David has rightly done, on harder edges around sanctions. We should always be mindful of that and always thinking about it, and I do. However, at the same time, we cannot step back from the basic arrangement here, which is that—to your point, Ben—if somebody is capable of working, if there is no reason why they should not take a job, if they are being given full support and receive benefits, which I took a decision to uprate by 10.1% as of this April, and yet they are perhaps disengaged in the way you have described or engaged in the way you have described, that is unacceptable. We should not be shy or retreat from the fact that we have expectations of those to whom we give public funds and those to whom we provide compassionate support. It is a two-way arrangement.

Q121 **Nigel Mills:** Good morning, Mel. Could you perhaps talk us through the proposals in the health and disability White Paper about removing the work capability assessment? Say I get a bad back and don't think that I can work and I want to apply for Universal Credit. What will the process be that you are trying to move us to?

Mel Stride: Perhaps I will take the first part of your question first. What is the White Paper all about? The White Paper recognises a fundamental flaw within the current arrangements. That flaw is that there is a clear disincentive for somebody who receives health benefits to try work and to see if they can get into work and hold down a job. That disincentive is simply the fear that if they go and engage in the workforce and get a job and it does not work out, quite possibly for perfectly reasonable reasons—their condition deteriorates or whatever it may be—and they try to get back to the benefit system that they were on before, they might not be able to do that because having worked might be proof, in a sense, that they are capable of working in a way that did not exist before.

The White Paper is fundamentally about removing the work capability assessment element using PIP as the passport into a new health benefit within UC and, therefore, detaching this whole issue as to whether somebody is in work, has worked, is not in work, or is moving in and out of work, or whatever it may be, from the access to that benefit. That could be a powerful change that I hope will help hundreds of thousands of people be able to try to work and move into work. That is, basically, at the heart of it.

Katie Farrington: Would it be all right if I added?

Mel Stride: Yes, of course, if Nigel is happy.

Katie Farrington: With your example of the person with the bad back, at the moment someone would come in with a fit note from the GP and they would wait for a work capability assessment, which would assess them and deem them to be fit for work or not, have a limited capability for work or have a limited capability for work-related activity. Many members of the Committee will know this system well. Then, effectively, we do not give people any support whatsoever if they are deemed to have a limited capability for work-related activity. Lots of people in that group never work again.

Under our new system, somebody comes in with a bad back and, if they are already entitled to a personal independence payment, we say, "You will get your UC health payment, an additional payment, and you will get additional support", whether it is additional work coach time or referral through to a system. For someone with a bad back, they most need clinical treatment to support them or they most need retraining to help them do a different type of job from the one they did before.

The idea here is that, rather than drive all the incentives to inactivity, we drive incentives to get people the support that is appropriate for them.

Q122 **Nigel Mills:** Most of those things were the idea of the current system as well. If I have a new bad back and so I am not in the system and have not claimed PIP, I will be sent for an assessment for PIP. That will be the new thing. How many people under the current regime have been found not fit for work but do not receive PIP? Is that a large number of people?

Katie Farrington: We are doing some more work on this—and Ministers have asked us to publish that data before the summer—because I accept there is quite a lot of interest at the moment. There is an enormous amount of crossover between these two groups: people who claim PIP and have been deemed to be limited capability for work-related activity and the other way around. There is a large amount of crossover between the groups. Some people in that group have not claimed PIP up until now. Many of those—

Nigel Mills: Is that hundreds of thousands or tens of thousands?

Katie Farrington: As I say, we will do some more work on this and publish it before the summer. Probably the best data to look at is the data in the parliamentary question that Tom Pursglove answered at the beginning of March, which talks about 300,000 people.

A large number of people are in that group right now. Many of those people may well come and claim PIP. Many of those people may well be entitled to PIP. We also say in the White Paper we would give people who are in that group, because they are currently undergoing or recovering from cancer treatment, radiotherapy or chemotherapy or have a high-risk pregnancy, access to the UC health payment.

Finally—and then I will close—these people will be moved across to the new system from 2029 onwards. The way we are implementing the White Paper is that we will bring forward legislation in the next Parliament. We will start with the new claims only, rolled out in a geographical, gradual way, and then we will move this group from 2029 onwards. Anyone who is not entitled to PIP at the point that they move will get a cash financial protection.

Q123 **Nigel Mills:** Is this raising the bar, then? Presumably, there are some conditions where I don't have a disability but I am not fit for work and I would get the existing extra support by being put in the "not expected to work" group, but somebody in that situation under the new regime will get less. Is that what you are trying to achieve?

Katie Farrington: No. It is important to be clear about this. We are not trying to raise the bar. We are not designing this—

Q124 **Nigel Mills:** To get the extra support I will need to qualify for PIP, but that is not currently the case.

Katie Farrington: As I said, many of the people who do not currently claim PIP could come and do so. A group of people have short-term conditions.

Nigel Mills: "Many" is not all, is it?

Katie Farrington: For example, they are undergoing chemotherapy or radiotherapy. We have said that group of people will be protected. No, we are not raising the bar. This is not about saving money by the back door. This is about incentivising work and responding to the evidence that lots of people would like to try work but are worried about doing so because of the way the WCA works at the moment.

Q125 **Nigel Mills:** Have you scored this in terms of steady state running? Will this cost more or less? Have you thought that through?

Katie Farrington: Over time, this is intended to be broadly cash neutral. As I said, Ministers have asked us to do some more work on this and to publish it before too long—

Q126 **Nigel Mills:** "Broadly cash neutral" means that if some people who do not currently get PIP because they have never claimed it then get it, they get a larger extra amount of money, which means that a multiple of that number of people would not have to get the "not fit to work" money to make that cash neutral. The lowest level of PIP is what—

Mel Stride: Some people as a consequence of the changes will go into work and come off the benefit, of course.

Katie Farrington: Yes, the Secretary of State is right about this. You have the combination of people who would be cash protected, people who do not claim now but would claim and therefore would get more money, and then people going into work.

Q127 **Nigel Mills:** You have scored all that in? Is there some kind of assessment?

Katie Farrington: We have done internal analysis on that. We are now getting that ready to meet the bar of external statistics. We will pre-release the notification before we publish that data.

Q128 **Nigel Mills:** You have a long run-in for this. It will be 2029 before you are worried about people who are already in the system. What happens if I get a called for a new PIP assessment every couple of years and I get one of those in 2027? Does that drop me into the new rules or do I stay under the old ones?

Katie Farrington: With the way we will roll this out, we start from 2026 with new claims only, but we will do it in a geographical, staged way. It would depend which area you were in in 2027. Yes, some people might come in under the new rules, and that means they would automatically get your UC health payment and would automatically get the support.

Mel Stride: Can I pick up on a point that Katie has rightly raised? This is not being rushed—far from it. A lot of people say that it is getting in early, and I am keen to do so, but it requires primary legislation that will go through the House in the next Parliament. As Katie says, it is then 2026 to 2029 for the new claimants before we get on to the stock of the existing claimants at that moment in time in 2029 onwards. There is a lot of time to consult and work around these issues over the coming years.

Q129 **Nigel Mills:** You are trying to get people to go back into work, quite rightly, in this situation. Did we not learn from the DLA-to-PIP switch when we thought, because there was not a lower level of PIP and a lower level of DLA, we would have a lot fewer people getting entitlement to it and that is not how it worked out? In some ways, it is good that people get the benefits that they are entitled to. If they should have been having PIP all along, we probably should write to them now and say, "Have you thought about claiming for PIP, by the way?" If I am currently relatively happy on the extra £30 a week, and you tell me I now have to apply for PIP and I now get £300 a month that I was not getting, will that have an opposite incentive for me from what you were hoping for?

Katie Farrington: The evidence shows that a group of people would like to try work but are worried about trying work because they are worried about losing money. The work coaches say that a group of people, when they come into the jobcentre at the moment, and wait for the work capability assessment, worry about getting better, worry about accessing support and worry about trying to find work because they want to get a particular outcome from the WCA. That is the core of the focus of these reforms.

Q130 **Nigel Mills:** Do you just move that concern? If I have a bad back and I don't think I am fit for work, I go for my PIP assessment and they agree with me and I get PIP and then I get all of this wonderful support and get a job. Then I get called back for another PIP assessment and they say, "Mr Mills, what do you do?" I say, "I now work in a call centre full time". They say, "Yes, but two years ago it says you did not think you were fit for work". I will lose PIP and I will lose twice the amount of money that I was going to lose before if I got the job. Are you just moving that fear to a slightly different benefit and with more money at stake now?

Katie Farrington: It is important to be clear about this. PIP is about your needs and the effect of your health condition on your daily life. Can you wash yourself? Can you dress yourself? Can you cook independently? It makes no judgment whatsoever on whether you can work or not. It also makes no judgment whatsoever on your income—

Q131 **Nigel Mills:** Have you been to an assessment? Have you read the transcripts of them?

Katie Farrington: Yes. It is not about whether you can work or not. The whole purpose of PIP is about the effect of that condition on your daily life. If somebody with a bad back comes back for a PIP assessment in two years' time, whether they are working or not, and they still have the same condition, they would still get the same award.

Nigel Mills: You would hope but—

Katie Farrington: That is the way the system is designed.

Q132 **Nigel Mills:** You will have to do some real confidence building in people that the questions you get asked and the conclusions they draw are not materially changed if you are effectively working full time. I said that a bad back is not the best example in this situation, but there is a pervasive fear with the way these assessment happen that that would materially change the outcome. I have that concern.

Katie Farrington: I completely agree with you. There is fear in this system. We are trying to address that. The PIP assessment is not designed to be anything to do with your ability to work or indeed your personal income. It is all about the effect that the condition has on you and your life.

Q133 **Nigel Mills:** The Red Book scores this as a £10 million net cost in year four and a £35 million net cost in year five. Is that building up to a higher net cost? What is that showing us? Year five is 2028 and so you will be quite well into your trials or your rollout by then.

Katie Farrington: Yes. I believe the costs are about the additional work coach time with this group of people who do not currently get support and are about, as you say, the trials associated with it. Over time, we are seeing a broadly cost neutral—

Nigel Mills: The additional work coach time is scored separately at £200 million.

Katie Farrington: The White Paper reforms bring a different cohort of people into the support regime. As I say, it is broadly cost neutral over time.

Mel Stride: We can get back to you on that, Nigel. If it is of the order of £10 million or so, it is possibly to do with system changes and workings to technology and systems reconfiguration. I imagine it is in that area, yes.

Q134 **Debbie Abrahams:** Good morning, Secretary of State. Could I briefly go back to the questions that related to sanctions and gently ask you again what your evidence is that sanctions work?

Mel Stride: I have said that I am happy to write to the Committee with an answer to that, but my and the officials' view is that they are a necessary component of running a system that is effective at helping people into work. If I may say, few argue that we need a regime that does not have any sanctions or conditionality.

Q135 **Debbie Abrahams:** That is not what I asked. You are giving your opinion and also your officials' opinion in terms of what is reasonable. I don't disagree with you; as you rightly say, conditionality has been part of the social security system since its inception.

Let me cite to you three pieces of evidence that you may want to refer to. First, in 2015, this Select Committee undertook an inquiry following from the Matthew Oakley inquiry, which showed clearly the issues that there are, particularly when they apply to disabled people. In 2016 the Government's own Behavioural Insights Team undertook a piece of work that showed, "They are harmful and counterproductive". Then a long-term research project undertaken by several academic centres on welfare conditionality also showed, "It is ineffective and it is harmful".

On that basis, I will also mention that in the first year of its inception, 120 disabled people were sanctioned for three years. This is the extent of the sanctions regime that has been introduced. You said, "There is no change to the sanctions policy".

During that first year, David Clapson, a veteran, was sanctioned. He had diabetes, which would not preclude somebody from work, and he was actively seeking work. He did not have enough money to pay for his electricity. His fridge was shut off. He died from diabetic ketoacidosis. These are the consequences. I could give you other examples. There is a list.

In your response to this Committee, will you provide an assessment of what you consider are the impacts of reintroducing the harsh and severe sanctions regime that was introduced back in 2012 and include, please, your anticipation of deaths of claimants?

Mel Stride: Thank you for that. Perhaps I could start with the individual cases that you have referred to, Debbie. I clearly do not know all the details of those cases and so I cannot comment on specifics, other than to say that nobody in DWP that I have met thus far—and I have met many hundreds—has anything other than complete compassion and care as an attitude towards people in that kind of situation. This is an important point to make because it is easy to characterise officials, Ministers and so on when sanctions and the effects of sanctions are described as somehow heartless and uncaring. That is most certainly not the case.

In the research that you referred to there, the 2015, 2016 and so on, you used the expression that some of that research had concluded that sanctions were "harmful and counterproductive" and also "ineffective".

Debbie Abrahams: Your own Behavioural Insights Team.

Mel Stride: Yes, but they are the ones you have chosen to highlight and there are others. I will pass over to Katherine in a minute, who might be able to talk about others.

That, to me, comes back to the whole principle of sanctions. If you will say that they are harmful and counterproductive, or indeed ineffective, that is an argument for not having them at all and that is wrong.

I will not re-rehearse the arguments that I put earlier, but central to an arrangement where help and assistance is provided—and, as I said earlier, 97% of the cases in which sanctions are applied relate to somebody not turning up to a 10 or 15-minute appointment with a work coach relatively infrequently, depending on which work group they are in, with all the safeguards that I have described earlier—is that that is fundamentally the right system. However, I will not argue that it always is perfect on every single occasion. No operation of that scale ever, unfortunately, will be and we must always try harder. Can I make one other quick point?

Q136 **Debbie Abrahams:** Briefly, because I am conscious that there are other questions, can I refer you—because this does relate to the substantive question that I wanted to ask you—to the minutes of the serious case panel from last year? I looked this up last night in preparation for this. They are scant and disappointing, but on page 1, item 2.2 says: "to explore strengthening the mechanisms which protect our most vulnerable customers in respect of sanctions". What will those protections be?

Mel Stride: I have already set out the protections in the system. Say somebody misses an appointment, which, as I have explained, is over 97% of the reason why sanctions are applied, and they had a good reason for missing that appointment. They may have suffered a bereavement in the family; they may have been attending a job interview; they may have had transport problems—who knows? If they are reasonable reasons, the expectation is that the work coach will certainly not entertain the idea of a sanction. In fact, they would simply discuss—"Look, when can we next arrange a time when it is convenient to come in?"

If it were the case that somebody on multiple occasions without any good reason—and was able to provide a reason—did not turn up to appointments, you start to get into the territory where the sanction regime may kick in. In those circumstances, it is not the case that the work coach says, "That's it—you're sanctioned". An approach is made to an assessor, who then takes that decision, taking into account, among other matters, the financial situation of that individual, who, first, is able to appeal that decision to an independent tribunal and, secondly, would have access potentially, for example, to the hardship fund or the flexible fund as well, to make sure that they are not put in a position where they are in absolute extremis. Within the way the system is designed and operates, there are appropriate protections.

Q137 **Debbie Abrahams:** I will refer back to the cases. I will write to you directly, Secretary of State, about those because those are similar to the protections that were mooted back in 2012 on these punitive sanctions. Again, everybody here would agree that conditionality has been at the heart of the welfare system. The punitive nature of the 2012 sanctions regime, which was introduced, is so detrimental to vulnerable people especially but to all people as well. People who may not have a mental health condition when they start this certainly do in terms of the punishing regime that they are put through.

Can I also raise another concern? It is about the narrative that has been perpetrated over the last few weeks—which I thought and had hoped that I had seen the end of, really—that claimants are shirkers and are work-shy. Ever thus in a population, there are always those who will try to buck the system, but the vast majority have been in work. They have done the right thing. This is not a benefit. They have contributed to the system. This is the support that they get when, unfortunately, because of our economy and other circumstances, they may not be allowed or able to work. We have heard other sort of language that is also very punitive.

Do you think that this language is detrimental to the claimants whom we want to encourage to come into the jobcentres?

Mel Stride: I totally agree that it is entirely wrong to demonise large numbers of people in the way in which you suggest may be happening. That is completely wrong.

As to the point about looking after the most vulnerable in society, I am deeply proud of what this Government have done through the difficult circumstances both of the pandemic and of the consequences of the illegal war between Russia and Ukraine. I am the Secretary of State who took a decision to put benefits up by 10.1%. I am the Secretary of State who decided to put pensions up by the same amount and raise the benefit cap by the same percentage.

We are already now pressing the button on spending billions of pounds directing transfer payments to low-income households—to 8 million low-income households, those that are disabled, pensioners up and down the country—to do what we can to get the most vulnerable through what is a difficult time. No Government would have found it an easy time. We are doing things on energy bills. Of the average energy bill, 50% will have been paid by Government support over the last winter.

If there is any premise here that this Government do not care about the most vulnerable, judge us by our actions. Overall, most people looking at the evidence would say that we do just that.

Q138 **Debbie Abrahams:** I do congratulate you and commend you for that increase, but again—we have discussed this before—it needs to be seen in the context of the last 13 years with £33 billion taken out of support for working-age people. We had an academic who said that current levels of social security are at subsistence levels. We are certainly one of the least generous in the EU 27 and in the OECD in terms of—

Mel Stride: What has happened to poverty levels over the last 13 years? It is a fact—

Debbie Abrahams: Please, I know you like going on about absolute poverty but in terms of relative—

Mel Stride: Relative poverty, and children and workless households and pensioners have all declined.

Q139 **Debbie Abrahams:** I will come on to my last question, if that is all right, which is specifically around the section 23 agreement with the EHRC. I understand that your officials were due to have a meeting with the EHRC this week. Did that happen?

Mel Stride: I will defer to Katie on this.

Katie Farrington: Could I respond to this? We continue to meet EHRC regularly.

Debbie Abrahams: This week?

Katie Farrington: We meet them at senior levels and we also meet them at working levels. You know this, Ms Abrahams. Because of the way the Equality Act 2006 is constructed, I cannot give a blow-by-blow account of exactly who met whom when, but we talk to them extremely regularly and we are making good progress.

Q140 **Debbie Abrahams:** I will repeat what I said when we met in November, Secretary of State. It is four months on from when I asked if we could ensure that we have this done for the end of the year. It is now 11 months since this was issued. This is issued on strict statutory regulations and you were found to have breached the Equality Act 2006.

As I said at the time, the fact that you have done nothing in 11 months gives a licence to other organisations to have a similar view. I urge you to draw this to a conclusion. I understand that it is meant to be completed by the end of April now, and so it will be over a year. Could you confirm that it is the end of April that you expect to come to an agreement?

Katie Farrington: We are happy to confirm that we are making significant progress. We are happy to confirm we are continuing to talk. Under the terms of the Act that you describe, I am not able to say exactly when we expect to conclude, but we are making progress and we do expect that to happen shortly.

Chair: Thank you. Colleagues, we do need to speed up a bit. We are getting quite badly behind.

Q141 **Nigel Mills:** The Chair asked you about the state pension age at the start. Is it still Government policy to bring the rise to 68 forward to the end of the 2030s or is even that up for discussion now?

Mel Stride: Mr Mills, that is an extraordinary question to ask. You will know that I have a duty under the Act to review these matters and have not yet concluded that review, so I cannot start to speculate as to whether any particular outcome is correct at the moment.

Q142 **Nigel Mills:** Secretary of State, we know that your predecessor but five—or it might be six—David Gauke announced after the previous review that the rise to 68 would be brought forward to the late 2030s. I assume as at today that is still Government policy. That was announced. It was never legislated for.

Mel Stride: It was never legislated for and of course the legislation is rather further back than that. I have to tread delicately here because I am in a process that will lead to an announcement and a report in due course.

Q143 **Nigel Mills:** The media reports seem to suggest that not only will it not get brought forward now but even that might be scrapped.

Mel Stride: I have read things in the media that have suggested all sorts of stuff: that the Cridland view will prevail, that something even earlier than Cridland might prevail, that if you apply certain metrics to Cridland you end up in the 2050s. All sorts of dates are floating around but, as I say, I cannot comment one way or another on where I am in that process. All will be revealed when I come forward with the conclusions of my review.

Q144 **Nigel Mills:** As a matter of principle, do you think that when somebody carries out an independent review on behalf of the Government they should appear before a Select Committee, if the Select Committee so chooses, to explain their review?

Mel Stride: I suppose it depends on who it is, what the report is and the circumstances.

Q145 **Nigel Mills:** Would you have any objection to Baroness Neville-Rolfe appearing to explain her independent review, even though she has subsequently gone back into the Government?

Mel Stride: Subject to taking advice, once my review is out there, I would not object if the Committee invited her to come. Whether she chose to come or not would be a matter for her.

Nigel Mills: That was my point. It makes it hard for us to scrutinise these things if the Government appoint people to carry out reviews and they then do not want to come to explain how they came to their conclusions.

Mel Stride: You had John Cridland, of course, although his review was back in 2017, some time ago. I suppose there is precedent for these people coming.

Q146 **Nigel Mills:** Do you understand why people might be a little bit suspicious or at least a little bit cautious of independent reviews carried out by somebody who was quite recently a Government Minister and then straight after the review goes back to being a Government Minister? It is not giving the most distance from the Government when you—

Mel Stride: I have absolute confidence that Baroness Neville-Rolfe would have conducted her work in line with the remit and in an independent manner. I have to say that I have not detected much of those kinds of noises and people saying, "It will not be an independent review". Certainly, I am absolutely certain that no undue pressure or otherwise has been placed by myself, my Ministers or the Department at any point in respect of her review. I am sure she has conducted her work in the right way.

Q147 **Siobhan Baillie:** Still on pension ages, looking at the state pension age rising for my generation, I just squeak into millennial, which I am proud of—mid-40s and younger. I expect to work into my 70s. We can see the age is going up. I talk for a living and push paper around.

The interesting part of this debate at the moment is looking at the impact of potential rises on groups of people who are in manual jobs, manufacturing, caring. My mum is a nurse—very physical, lifting patients around. Age UK is pretty clear in saying that there is no justification for further state pension age rises and suggests that the increase to 66 has increased poverty and hardship.

Notwithstanding what you have just said about the work and the review, what evidence and data are you gathering to assess the impact of raising the state pension age that is already happening, and what measures are you considering or are you able to talk about to mitigate the impact of raises on particular disadvantaged groups?

Mel Stride: Perhaps, as regards previous increases in the state pension age, for example, to 66—which I feel more at liberty to talk about because that is not subject to my review; that has happened—there is evidence that because people are, therefore, retiring later, poverty levels are impacted among that age group right up against the 66 retirement age.

I will defer to Katie in a moment, who may have something to say on this. As regards my own review, I am afraid I will be ultra-cautious about starting to get into the weeds of what I think about this bit or that bit, because we are beginning to get into what weight I might attach to certain elements before I have come to Parliament and presented the results of the review.

Q148 **Siobhan Baillie:** I am interested in what you are looking at, because whenever we are scrutinising a review or an announcement or something like that, we get a raft of witnesses coming in and saying they have gathered the wrong data and they did not look at the right data. What are we looking at in terms of the 66 changes already?

Mel Stride: When I come forward with the results of my review, there will be a report. Within that report will be the answers to many of the questions. It will raise many questions as well, no doubt. Alongside that will be the GAD report on life expectancy and other matters, and also Baroness Neville-Rolfe's report. That will be out there. That is probably the point at which we can start to discuss whether the right things are being looked at in the right way. I do not know if you had anything to add to that.

Katie Farrington: The Secretary of State is right about this. As well as his report, we have the Government Actuary's Department report, which looked at life expectancy, and then Baroness Neville-Rolfe, who has looked at metrics. The Department will have looked at all the evidence, including evidence on previous rises, as you describe. At the heart of what you are asking is whether there is sufficient support for the people who may end up working longer if the state pension age rises. In that respect, we do quite a lot through the inactivity package to support older workers. As the Secretary of State says, we cannot pre-empt the outcome of his review here today.

Q149 **Siobhan Baillie:** That was a good assessment of my question but, also, are you gathering information and evidence on hardship to feed into the report that you are doing, in terms of the groups that we know have already been impacted? Age UK is super-clear about this in terms of the people it is talking to.

Katie Farrington: We have definitely looked at the impact of previous rises on poverty levels and on employment activity. What tends to happen is that people work longer. In fact, that then has a positive impact on their income rather than a negative impact on their income. There is quite a lot of data on this including from the IFS, which we have looked at. I cannot go any further than that today.

Q150 **Dr Ben Spencer:** This is on pensions still, but switching a bit to pension dashboards. How important would you say the provision of pension dashboards is, in terms of your plans to help savers have scope of what pots they have and to prepare and plan for later life?

Mel Stride: This is important. You are absolutely right. The evidence shows that quite a reasonable proportion of people are not aware, even, of all the pension pots that they have, let alone how they all add up together and the decisions that they might take as a consequence of having that knowledge. To get to the point where we have a fully functioning dashboard is extraordinarily powerful and very important.

Q151 **Dr Ben Spencer:** As you know, of course, earlier this month the Pensions Minister announced that there would be a delay in terms of scoping for it to come forward and so the first lot to come forward is in August. Looking at that and looking at the challenges that have been put through, in one report some of it is in terms about getting the data and cleaning it up and making sure all the systems can talk to each other. It strikes me that that is in effect a function of the thing that we are trying to fix in the first place, in that we have lots of different pots in lots of areas and people do not know what is going on.

On that basis, do you have any concerns that this delay in itself is indicative of perhaps an almost existential challenge in terms of setting something like this up? Given the delays and the challenges, is this still achievable in the form that you are planning to take forward?

Mel Stride: The short answer is yes, but it is indicative of the complexity of putting this whole thing together and all the different inputs that go into that. The Pensions Minister has said that by the summer recess she will come back to Parliament and tell us more about the timelines, and also about legislative change that may be required because of course legislation has driven the August date that you referred to.

The answer to your question about whether this can be done and will it be done is: absolutely. This is a reset moment in terms of the project, but I am satisfied that what the Minister for Pensions is doing is robust enough and will be effective enough to deliver.

Q152 **Dr Ben Spencer:** Can you give us a drop-dead date? What is the latest you anticipate it will take before this can be done?

Mel Stride: I am not in a position to do that. However, I know that the Pensions Minister will certainly set out the timeline before the summer recess. She is working on that at the moment.

Q153 **Dr Ben Spencer:** Do you anticipate that that will be a sequenced timeline? Presumably, the thing will not open up to everybody and there will be staging.

Mel Stride: That could be the case. Katie, do you want to add anything?

Katie Farrington: Yes, the Secretary of State is right. That could be the case. We previously envisaged that certain schemes would connect sooner and that then there would be a moment when we opened the dashboard up to the public so that people could see what money they were entitled to. As the Secretary of State says, we have put the programme into a formal reset and then the Minister will come back to the Parliament before the summer recess to set out the next steps.

Q154 **Dr Ben Spencer:** I want to get my head around the communication part. Is some of the challenge that there are lots of small schemes and getting them on board is trickier, but the big schemes are ready to go? Is there an issue that perhaps perfect might risk being the enemy of good in terms of getting this out? For a lot of people, the big funding pots are quite important, but if lots of mini-pots are not necessarily showing, does that delay things coming out?

Katie Farrington: You are definitely right that some schemes are more mature than others. You are definitely right that part of the complexity here is a large number of schemes all needing to connect and, also, millions of individuals wanting to be able to connect and trace their individual pots, according to whatever name they may have had and whatever job they were doing at that particular time. It is complex.

We do not want perfect to be the enemy of good, so my sense is that we will get to a moment when it is good enough, reasonable enough, and gives enough information to the public that we would want to bring it live. There would be a judgment about that for Ministers.

Q155 **Dr Ben Spencer:** Thank you. Do you have a new chair of the programme board yet?

Katie Farrington: We are underway with a formal reset. We have appointed a reset director, who is a DWP member of staff. The reset reports jointly to Peter Schofield, our Permanent Secretary, and to Sara Weller, the new chair of MaPS, the delivery partner that is delivering the programme. During the reset, they will look at all the right governance and who should be the chair of the programme board going forward—not yet but that will be made during the reset.

Dr Ben Spencer: That will be part of the announcement coming forward on the Government structures. Thank you.

Q156 **David Linden:** Again staying on pensions, and before we move on to the gender pensions gap, can I follow up, Secretary of State, on Ms Baillie's line of questioning about the review into the state pension age? A rumour is going about that that will be released this week. The House breaks for the Easter recess tomorrow night. Can you scotch that rumour?

Mel Stride: I have always said that we will meet the statutory deadline, which is 7 May. That is my position.

David Linden: You have not said that you will not release it this week.

Mel Stride: If the rumour were right, it would not be right for me to announce this other than through the usual channels, which are through the Department.

Steve McCabe: A written statement tomorrow afternoon?

Mel Stride: As for matters for going through the Speaker, I assume you mean an oral statement. That would be arranged through the Speaker's office. It would not be right for me to pile on that—

David Linden: You are saying it will be an oral statement, then?

Mel Stride: I am not saying anything. I am sorry. I was extrapolating your assumption and your rumour that that might be what you were suggesting. I suppose it could be a written statement. Whenever it occurs. I cannot comment on when, other than to say—as I have always said—that by 7 May, which is the statutory deadline, all will be revealed.

David Linden: It feels to me like you may be withholding some information from the Committee, Secretary of State, which is—

Mel Stride: Inside information? I have lots of inside information, but it is right that it is inside information. I know Committees like to feel that they should have every known secret in the world, but there are some things that it is not appropriate to bring forward. It is inappropriate at the moment.

Q157 **David Linden:** Let's move on to the gender pensions gap. Can you update us on progress towards a definition of the gender pensions gap?

Mel Stride: We are working on that. If we are to get a meaningful metric, we need to do that work. We need to do that work before we start then using that metric, clearly, to start to bear down on something that is not satisfactory and has various component parts as to why it is as it is. Katie, do you want to add anything to that?

Katie Farrington: To add to the Secretary of State, we are working on it. A number of members of this Committee are interested in this issue and so is our Pensions Minister. We are doing a piece of work across the Government to agree a definition and then we can begin to measure it and publish it.

Two things are worth adding that are relevant to the gender pensions gaps. One is work on auto-enrolment. We are currently supporting the private Member's Bill going through that removes the lower earnings limit, which will make a difference, and also the provision of the childcare support in the Budget package, which will help to tackle one of the barriers that drives the gender pensions gap.

Q158 **David Linden:** You are working on it. When will we see the definition of it? What is the deadline for that?

Katie Farrington: We are keen to make progress on this, as is the relevant Minister. We will bring it forward once it is ready.

David Linden: This side of the summer?

Katie Farrington: I do not know. When it is ready, we will bring it forward.

Q159 **David Linden:** When it is agreed, whenever that is, would you commit to reporting annually on the progress to reduce it, Secretary of State?

Katie Farrington: The Minister was asked about this and I support what she said, which was that if we find something that makes sense to report annually, we should do so, but we first need to get to a definition. That is the first step. Then we need to be clear about what we measure and then we need to measure. If it is makes sense to publish it annually, we absolutely should do so.

David Linden: Previously, the Minister said, "Annual reporting would make sense".

Katie Farrington: That is correct. That is what she said. If we can find something that makes sense to report annually, we should do so.

Q160 **David Linden:** Previously the Committee has heard because of inequality's roots in the labour market, something like an auto-enrolment carer's credit would be required to make meaningful progress. Is that under consideration?

Katie Farrington: Let me go first and then the Secretary of State should of course add. I believe this was looked at as part of the 2017 review of auto-enrolment, and at that point the decision was taken not to proceed. Again, for carers, the removal of the lower earnings limit, which is being taken forward through the private Member's Bill, will make a difference for people who are caring and working for a small amount of time.

David Linden: I will leave it there. Secretary of State, did you want to add anything to that?

Mel Stride: No, nothing further.

Q161 **Chair:** It is worth making the point perhaps that, if we will address this gap properly, something like a carers credit will eventually be needed.

Mel Stride: Perhaps I will be drawn into the comment I was going to make, which is that that would be a fundamental change to the system if it is not based on work, earnings and all that kind of stuff. We would introduce something different. I simply raise that to indicate that that would be quite a big change.

Chair: It has been a feature of the system in the past. It was then the state second pension, and that went in the reforms, so it is not completely novel, but it would be different from how things are at the moment.

Q162 **Selaine Saxby:** Good morning. I am talking about the Household Support Fund. Has the Department produced an analysis of the overall effectiveness of the Household Support Fund? If so, what have your findings been?

Mel Stride: With the Household Support Fund, local authorities have a requirement to provide management information, so they do provide information to us broadly around what that money has been spent on, whether it is utilities or help in other different ways. Of course, there is guidance around the use of that fund.

We have an extension to the fund now for another 12 months, which should be welcomed. It is £1 billion or thereabouts—a substantial amount of money. We are looking in more detail at assessing how that money is spent and its effectiveness. We hope to that. Katherine, you might want to add on that.

Katherine Green: Yes, I will add to that. As you know, the Household Support Fund was set up quickly over recent years to respond to challenges and to support the cost of living. For the 2023-24 scheme, which is the next one to come for which the £1 billion has been announced, we will have an evaluation of that scheme. That will look in more detail at how it was spent and we will evaluate that. For previous schemes, we have published data up to March 2022. That sets out how much was allocated to each local authority and how much went to families. We will shortly publish the next tranche of data and so you will see that shortly as well.

Q163 **Selaine Saxby:** Citizens Advice has flagged that some people have found it difficult to access the scheme and that there have been various in eligibility between different authorities. Mel, you are my constituency neighbour. I have flagged concerns about our own county council's schemes. There are perhaps question marks about how rurality is reflected in some of these decisions because accessing this and finding this is different in a rural environment.

What more is being done to ensure that it reaches the pockets of everyone who needs it, so that people know it is there and can access the scheme?

Mel Stride: That is a good point. I observe that, in a sense, an inconsistent application of the funds across different local authorities recognises that we use local authorities because they are the most plugged in to their particular local circumstances. You might expect a difference of approach from, say, a local authority in an affluent inner-city and one in a rural area like yours or mine. In that sense, those kinds of issues are not necessarily bad in themselves.

In terms of the information that we already have and the work that we will do over the next year, we will look at how effective these various measures are. In terms of the £1 billion going out there over the next year, we have changed the guidance in one important respect. We have introduced more flexibility, and also urged local authorities to target assistance particularly at those who might not receive the cost of living payment support for various reasons because they do not quite fit the requirements around that. Katherine, do you want to add anything?

Katherine Green: To start with, the allocation to local authorities is done partly by population and it is also weighed on an index of material deprivation. To some degree, what the local authority gets will reflect the needs in its particular area as well.

Q164 **Selaine Saxby:** If I could move on to Universal Credit and the five-week wait, as a Committee, we have spent a lot of time on this and your predecessor has answered many questions on this. I recognise that there are concerns around fraud. We saw at the start of the pandemic that when people moved out of work into Universal Credit, the five-week wait was potentially less of an issue and there was far less need for advances.

However, as we speed up the move of people from legacy benefits on to Universal Credit, is there any chance that you will take a slightly different approach to the five-week wait within the Department?

Mel Stride: There are no immediate plans to change the way the five-week wait works. The reason—and I know the Committee knows this—why we need to have this wait is because the assessment period is critical to working out what the UC payment should be. The fact that we are able to provide advances on that is important.

In terms of legacy benefits, one big thing happening in that space is the move from tax credits to Universal Credit and, with that, the movement of some historic debt around tax credits, which is a far more difficult system to get right and leads to over-awards, underpayments and overpayments in a more dramatic fashion than UC ever will. There is a kind of issue around that.

Then we are into how to deal with those debts that need to be repaid. There is a fundamental principle that it is right that they are. Then we get into the discussion about the deduction arrangements, how that works and what levels are applied.

In direct answer to your question about the five-week wait, we do not have any plans to change the way that part of the system is working at the moment.

Q165 **Selaine Saxby:** You touched on the tax credit system and moving across. Again, we have heard much evidence about the amount of debt that comes across and the age of it. Do you have any indication of how old that debt is that is coming across?

Mel Stride: On average, it is a little over four years.

Q166 **Selaine Saxby:** Hearing the evidence on that debt moving across, it links into my previous question about the five-week wait. The evidence we have heard very robustly is that the people who struggle the most in our society are those who are repaying debts either to the Treasury or the DWP for the advance for the five-week wait if they have had to take one or on their tax credits. Well over 40% of those people using food banks have these debts on their Universal Credit.

Is there an opportunity revisit some of that? Particularly with the five-week wait, the debt that they take out is almost of our own creation. We then see these people struggle to move forward because they inherit debt. With tax credit, they often have no idea that debt is coming at them until they move across.

Mel Stride: We made a change in the period over which the five-week wait up-front payment can be repaid from 12 to 24 months to make that easier. Also, irrespective of where the debt emerges from—whether it is tax credits, historic debt, a requirement to make child maintenance payments, debt relating to rent that is there to keep somebody's roof above their heads and so on; there are all sorts of reasons why that debt might be there—the important thing is the priority with which the debt is repaid and the kind of arrangements to make sure that people are not put into undue hardship as a consequence of settling those debts through time.

As you will know, we have changed the amount of the standard allowance that could be taken in that respect from 40% to 30% to 25%, as it is now. A number of the points that I made around the sanctions regime also apply. Proportionality, not seeing people in extreme situations, having those discussions and doing things in a proportionate, measured and appropriate way are important.

Q167 **Chair:** Can I raise a couple more points? MPs often have concerns about proposed DWP office closures. A programme is going on and a number of closures are taking place. You will know that, for example, Dame Rosie Winterton is concerned about the plan to move 198 people from Doncaster to Sheffield. In that particular case, as I understand it, Doncaster Council has offered substantially lower rent in alternative office accommodation in Doncaster.

In a case like that, does the Department assess alternatives or, having decided that it will make this move, does that proceed?

Mel Stride: The whole rationale for what is happening here is that during the pandemic we stood up a large number of additional offices and it has left us with an estate that, off the top of my head—and I may be wrong with the figures—has capacity for something like 150,000 or 160,000 people, but we have a need for only about 80,000 or 90,000 or thereabouts. Clearly, that is unsustainable. Nobody would argue we should stay where we are.

To get to your question, Sir Stephen, it then becomes a case of what rationale you apply to how you reconfigure that estate. We want to end up with offices and estate arrangements that are good quality buildings, which have the ability to accommodate a sufficient number of people, and that you have all the advantages of having career structures, amortising costs of technology and all sorts of other things with large groups of people involved.

That leads basically into making an assessment in each area as to the quality of the new estate that was stood up for the pandemic, the quality of the pre-existing estate and then making a decision as to what gets closed and what does not. In many cases, it is the new estate that has been stood up for the pandemic. That is the majority of the cases, but in some cases it might be using that estate.

As regards Rosie Winterton, she raised it with me and I had a chat with her and have fed into the Department. I know that the relevant Minister is aware of her specific concerns.

Q168 **Chair:** Taking that as an example, the local council has come up with an alternative proposition, we understand, which would also save three years of staff travel costs. Is an assessment made of an alternative proposition like that or, once the decision has been made that you will go for it, is that—

Mel Stride: Once a decision is made, a decision is made. However, prior to that, we assess all of those things, including issues around where the staff are based, what the implications of new office arrangements might be in that respect and the alternative deployment of those staff in the event that it will not work with the new estate. Katherine will have something to add to that.

Katherine Green: Yes, that is absolutely right. Once a decision is made, it is made, but a lot of thought and criteria will go into that decision about value for money. We are also trying to get a critical mass of colleagues on sites because the Doncaster example is about the back-office function. It is a different set of criteria when you are talking about a customer-facing function. From a value-for-money perspective, we are trying to get critical masses of colleagues on the same site. It is around 300 on each site.

The criteria here, as the Secretary of State has said, are about the quality and value of our buildings in our estate, how green they are, how sustainable they are and how comfortable and fit-for-purpose they are for our staff. All of that will have been taken into account before a decision is made.

Q169 **Chair:** So the local council coming along and saying, "Here's a significantly less expensive rental opportunity"—that wouldn't have been looked at?

Katherine Green: That would have been considered if that offer had been made at the time that the considerations were being made, yes, absolutely. However, it depends when the offer was made in relation to the decision on that particular case.

Q170 **Chair:** A point that is sometimes made is that the Government's levelling up aims can be affected by a move of this kind. Is that consideration taken into account?

Katherine Green: Certainly, the regional spread of our customer-facing offices, absolutely, and our back offices as well. In the Doncaster example, I believe that staff will potentially move to the Sheffield location. We absolutely would retain a good regional spread of offices both within the back offices and the customer-facing function as well. That is a priority, yes.

Q171 **Chair:** On the point about the apparently cheaper offer, is it possible to let us know whether that offer came in in time?

Katherine Green: I am sure we can take that away, yes.

Chair: That would be helpful to know. Steve McCabe wants to raise something.

Q172 **Steve McCabe:** The critical mass of colleagues on a site suggests a concentration of resources on a smaller number of sites. How do you reconcile that with Universal Support, which implies a widespread, dispersed use of your resources, so that you go to people rather than force them to come to a smaller number of sites?

Mel Stride: I will bring in Katherine in a minute, but this is not about contracting the footprint in that way. We have to be in communities and it is right that we are and that we are accessible. That is not on the table here. Particularly in terms of the back-office estate, these—

Q173 **Steve McCabe:** It is only the back-office estate you are talking about?

Katherine Green: That is the key point, yes. It is the back-office estate.

Q174 **Steve McCabe:** The operations of the back-office estate will be entirely separate from the engagement staff. Is that right?

Mel Stride: They typically are now. They are separate parts of the estate.

Steve McCabe: We are talking about two totally different things?

Katherine Green: Two different things.

Q175 **Steve McCabe:** I ask that because I am trying to work out how you entice people to engage with you if they have to travel miles to do that.

Mel Stride: No, that will not be a feature of what is happening here, but it is a perfectly understandable question. Thank you.

Q176 **Chair:** I have a last point from me. We have had complaints about long telephone waiting times—for example with the Future Pension Centre—problems with call-backs being promised but not being kept and the line sometimes simply going dead shortly after finally getting through after a long wait. Are there enough call centre staff at the moment to handle the volume of telephone calls coming in?

Mel Stride: We are increasing telephony resources. I know that. Katherine?

Katherine Green: I will pass to Katie on this particular line.

Katie Farrington: You are right to raise this. We had a large number of calls connected with National Insurance contributions when there was a deadline for people to pay their missed contributions by the end of March. HMRC has decided to extend that deadline to the end of July, so that gives people more time to do that. That is helping. As the Secretary of State says, we have also added extra telephony resources and we are getting those people trained and ready to answer calls.

Chair: David Linden wants to come in, briefly if you would.

Q177 **David Linden:** On the issue of telephony, a major concern that I get from my local advice agencies is that so often the volunteers who work in CABs and these kinds of things spend huge amounts of their time on the phone. Would the Department look at having a dedicated line specifically for advice agencies? It strikes me that having CAB volunteers tied up for hours on end listening to hold music is probably not the best use of time.

Katie Farrington: Citizens Advice has raised that with us as well. We do have a dedicated line for the Help to Claim agents so that they can get through quickly. For other claims, it is the normal line, but the response time on Universal Credit is quick. Yes, it is definitely a known issue, but the current system is that for Help to Claim we have a dedicated line and for other Citizens Advice agents we do not.

Q178 **David Linden:** Could you commit to at least have a look at that and perhaps how you could improve it a bit further? It is definitely still not working at the moment.

Katie Farrington: Definitely. We are talking to Citizens Advice about that issue.

Q179 **Nigel Mills:** Can I ask about the vision for the midlife MOT now, Secretary of State? When this was first mooted by the previous Pensions Minister, we expected a personal telephone session that an individual in their 40s or 50s would have to prepare them for retirement and talk through their financial wellbeing. It now appears to be mainly online.

Then we have had the announcement of funding for 40,000 on Universal Credit to have this. By definition, they must have a low household income and less than £16,000 in savings. It does not quite seem to be the same sort of conversation. Asking somebody if they think they have enough money for retirement, they will say, "No, I am out of work. I have no savings. I live on subsistence benefits". It will not be quite the conversation we envisaged. What are we trying to achieve with this now?

Mel Stride: We are trying to achieve providing information, making sure that people are taking decisions, particularly in their 40s and 50s, as to the appropriate time to retire, whether they can afford to go through to the end of their lives, whether they know what their life expectancy is likely to be and make all those kinds of issues, to focus when it is appropriate on things like training and skills and to focus on things like health when that is appropriate as well.

We are digitising the MOT, as I said earlier, but there is a face-to-face option as well, which Katherine probably can fill out for us.

Katherine Green: The first point is that we have already started with this. We have our Jobcentre Plus 50-plus champions across the country. They already work with around 8,000 claimants to go through the midlife MOT. As you said, that is expanding fivefold. There will be 40,000 places now being funded in the budget to do that.

That sits along with the digitisation of the midlife MOT and a tool around that. That allows us to offer it to a much wider group of both individuals who are already in contact with the jobcentre and individuals who are not. As we said right at the start, only about half of the inactive population are in contact with a jobcentre to start with. That digitisation allows us to do that. We will also work with pension providers, for example, to nudge that out into the wider economy. The digitisation tool will be there for everyone who wants it, effectively.

Q180 **Nigel Mills:** It seems like a strange offering to people on UC. It must be different to what they originally envisaged. To receive any UC, talking about saving more for your pension is a dream conversation. I suspect it is not a useful intervention for somebody in that situation.

Mel Stride: It is about life planning. When are you thinking you can appropriately retire? At what point will that be? Can you retire early? A lot of this is aimed at those who currently have felt that they can retire but, as we have seen with the recent movements in economic activity, a lot of them have perhaps changed their view and come back into the labour market.

Q181 **Nigel Mills:** Unless people retire with less than £16,000 in savings in their 50s, that is quite an unlikely conversation to have.

Mel Stride: The point that Katherine is making is that this digital MOT offer is out there for when you get your UC and yet, if you have a pension, your pension provider writes to you and nudges you and says, "By the way, you might want to log on and have a look at this". It is accessible right across the piece.

Q182 **Nigel Mills:** Let's not labour it, but it seems slightly strange that we have a situation where somebody falls out of work and we try to push them into the first job they can find, whether it is suitable or not, and then you are saying to those same people, "Let's have a conversation about your future health, disability, plans for your later working life and whether you can afford to retire or not". Those two systems are doing strange things to each other.

Mel Stride: It is not compulsory. If you do not think it is appropriate for you to engage with the MOT, for whatever reason, you presumably would not. If early retirement is far from your mind, you will keep focusing on work and better-paid work, which is what we are here to help.

Chair: Thank you. Our time is up. Secretary of State and your colleagues as well, thank you very much indeed for joining us this morning. Thank you for giving us the full two hours that we aspired to, and thank you very much for the information and the answers you have given to us as well. We are grateful. Thank you. That concludes this part of our meeting.