

Work and Pensions Committee

Oral evidence: The work of the Department for Work and Pensions, HC 344

Wednesday 19 November 2025

Ordered by the House of Commons to be published on 19 November 2025.

[Watch the meeting](#)

Members present: Debbie Abrahams (Chair); Rushanara Ali; David Baines; Lee Barron; Johanna Baxter; Mr Peter Bedford; Steve Darling; Damien Egan; Amanda Hack; John Milne.

Questions 97-154

Witnesses

I: Rt Hon Pat McFadden MP, Secretary of State for Work and Pensions; and Sir Peter Schofield, Permanent Secretary, Department for Work and Pensions.

Examination of witnesses

Witnesses: Pat McFadden and Sir Peter Schofield.

Q97 Chair: A very warm welcome to this week's Work and Pensions Select Committee oral evidence session. We are delighted to be joined by the Secretary of State for Work and Pensions, Pat McFadden, and his Permanent Secretary, Sir Peter Schofield. Welcome to both of you.

We have a range of questions for you this morning, and I will kick off with one on safeguarding. You will know, Secretary of State, that every year people who are reliant on social security support die prematurely, including by suicide, and the Committee undertook an inquiry on safeguarding vulnerable claimants. You will also be aware that in 2023-24, your Department investigated the deaths of 40 people who died while they were a claimant. Your annual report last July reported that that number increased to 59 in 2024-25—not the trajectory that we would want to see, obviously.

In the letter that I received from you last night about progress on safeguarding, you talk about a plan of action and a new safeguarding team to drive the strategy and deliver the plan. Could you describe what role the new safeguarding team will have in assessing the potential harms, for example, of new policies?



Pat McFadden: Sure. Thank you very much, Madam Chair. It is a pleasure to be here before you for the first time in my capacity as Secretary of State.

I know that you personally, and the Committee, have taken a great interest in this issue for some time. The Department deals with about 20 million people across the piece, and a number of those people will be vulnerable. They will have a lot of issues that make their lives very stressful. We see this in our role as constituency MPs as well. It is important that the Department and its operations understand that and treat all these customers with respect and in the right way.

On the letter that I sent to you yesterday, anticipating that you would be interested in this area, there is quite a lot of work going on. On the training side, level 1 training has been offered to all civil servants, but probably more directly, a higher level of level 3 training is being carried out with the medical health practitioners. That is probably more relevant directly. It is important that they get that and that they understand the training and the responsibilities that they have. I also think that a line of responsibility in the Department is important. We have a specific director general with responsibility for this now. The chief medical adviser, Gail Allsopp, is leading a lot of the work on this and I think she is doing a good job.

When you have tragedies and you have serious case panels and reviews and things like that, there is understandable public scepticism about some of the phrases used—"lessons learned" and so on. It is important to have those serious case panels—I think they help us learn—but I hope that the Department does not just look at this in the rear-view mirror, learning from what has gone wrong, but has an active process to try to make sure that we deal with people in the best way that we can.

Q98 Chair: Can I come back to my question? The focus of the Department has tended to be on the frontline. You just mentioned that you want to try to make sure that you deal with customers in a sensitive way. My question was specifically about a key recommendation in our report, which was about having a systems-based approach to safeguarding that makes it everybody's responsibility and looks at safeguarding at every level of policy development through to implementation and, of course, review. For example, in the "Pathways to Work" Green Paper, how would you have adopted a greater safeguarding role with the structures that you are developing now?

Pat McFadden: I think it should be systems based. You are right; it is not just a matter for the frontline staff. They are, of course, dealing directly with the most vulnerable customers. They are often not the highest paid civil servants, either, and we ask a lot of them. But it should be in Caxton House, too; it should be in the Department. That is why I think having a specific director general with responsibility, having the chief medical adviser to the Department working on this, making sure that it is a systems-based approach, to use your phrase—I am not going



to sit here and say it is job done. It is clearly not, but it is something that we take seriously. That is why I wanted to write to you before coming. When there is any new policy, such as “Pathways to Work” as you mentioned, of course this should be built into it.

Q99 Chair: It is very reassuring that you say that to the Committee and I look forward to that. Are you able to give any specific examples of how this new group might, for example, use evidence? I know that both the Prime Minister and you, Secretary of State, feel strongly about evidence, so how would you use evidence that is available, for example, from previous changes to welfare policy?

Pat McFadden: I will bring in Peter in a second. I mentioned serious case panels and reviews and said they were not the answer to everything because they often happen after a tragedy has taken place. I do not just want it to be a rear-view exercise, but I do think they are important in giving us the evidence of what has gone wrong somewhere and how we should learn from it. Peter, do you want to say a bit more about how we use these?

Sir Peter Schofield: We have talked before in this Committee about how we have learned from the serious case panel and what we have done in the wake of some of the things that have gone wrong; for example, decisions about how we work with appointees, decisions about how we work in a situation where we have lost contact with a customer, decisions about how we work together where someone has been underpaid a significant amount of money and we need to pay them that money back in a way that meets their needs. This is all informed by learning the lesson and thinking forward about how we can do safeguarding most effectively. The chief medical adviser is involved. She is heavily embedded in policymaking. I see her regularly. She is involved in submissions that come to Ministers on relevant issues as well.

You will have seen the development on this over the years. I regard this very much, as the Secretary of State has said, as not job done but progress made, first in thinking about how we reach out and support people with complex needs, making sure that we are aware of that on the frontline, and secondly, in how safeguarding works, ensuring that we are protecting people from harm, abuse or neglect. As the Secretary of State has said, we focused initially on the clinical professionals—5,300 clinical professionals, many of whom work with our outsourced providers—and making sure that they are effectively trained up to level 3 in safeguarding. We are rolling out level 1 training for frontline staff, but in fact all staff as well. I chaired a meeting of all the senior civil servants across DWP only yesterday. We have safeguarding awareness week and I was encouraging every one of them to do the safeguarding training as well.

As the Secretary of State says, I want this to be embedded in everything that we do. It is policymaking and other systems as well as the frontline,



HOUSE OF COMMONS

but obviously in the frontline is where the most direct implications come through.

Chair: I suggest that getting the policy right is the most important thing, and then making sure that people deliver. That is the culture—a more supportive culture—that we are hopefully developing. That would be the most important thing.

Q100 **Mr Bedford:** There are currently 702,000 young people between 16 and 24 who are unemployed, which is up 60,000 from last year. A lot of employers blame that on the Employment Rights Bill that is coming through and on the increase in national insurance. Now more than ever it is important that skills and apprenticeships are focused on to ensure that young people have the best chance in life. What can the DWP achieve in the skills and apprenticeships space that the Department for Education could not achieve?

Pat McFadden: This is a really important area; thank you for your question. We have a lot of graphs in the DWP, and I have looked at a lot of graphs in the three months or so since I was appointed. Some of the ones that have struck me the most are those concerning young people. The curve of the graphs does not begin a year ago; a lot of the steep rise in what is happening with certain forms of inactivity goes back five or six years. We have to take the long sweep, to what the Chair said about evidence, to look at what has been happening for some time.

As to your specific question about bringing skills and apprenticeships into the DWP, this is an important machinery of government change for us. The DWP was already trying to do work in the labour market, trying to encourage people into work. I always say that I think what the DWP does should be about two things in the main. It should be about security for those who are reliant on the various benefits that we pay, but it should also be about opportunity, and not people being trapped on benefits if they can move on from them. I think this is very important.

I am very concerned about the long, five or six-year rise in NEETs that we have seen. We have almost a million young people not in education, employment or training. A growing number of them are reporting medical conditions as part of that picture. What I want to do in bringing the post-18 skills portfolio into the Department is to have as active a labour market policy as we can, tilting apprenticeships more towards young people as a matter of policy, and trying to get the young people who are out of work the opportunities that we can.

Q101 **Mr Bedford:** Given that the Department for Education is retaining parts of the skills brief, how will we ensure a joined-up approach by Government Departments? One of my frustrations on this Committee, which I have expressed many times, is about Departments having overlapping responsibilities and no one being held to account for delivery of those policies. You were formerly at the Cabinet Office, so you will probably have similar frustrations. How can we ensure that Departments



HOUSE OF COMMONS

are still working together to deliver on policy?

Pat McFadden: I talked about a five-year timescale; the timescale of Whitehall silos is 100 years. One advantage that we have is a joint Minister, and I am delighted to say that Jacqui Smith, the skills Minister, stayed on in that post after the reshuffle. She has one foot in the DFE and one foot in the DWP. That really helps.

Let me be candid with the Committee. It is undoubtedly true that the Whitehall structure can give rise to the problems that you talk about, but it is for Ministers and their officials to do everything we can to overcome those. If you look around the world, where does skills policy lie? Sometimes it lies in whatever the department for education is called in a particular country and sometimes it lies in whatever the ministry of labour is called in a particular country. We have made a decision that the ministry of labour is a better place to put it. We are at the early stages, but if this works it should mean that we can bring together apprenticeship policy, adult skills and the work that the DWP was doing on labour markets anyway in a more co-ordinated way to get help to the young people who are out of work to whom you referred.

Q102 **Mr Bedford:** We touched on the structures of government. I have had conversations with politicians and officials from the Department for Education about why the skills agenda often got bogged down. There was certainly a perception that the civil service just did not buy into it because the leadership in the civil service did not want that for their children. They did not buy into the apprenticeship route or the skills route. They wanted their children to go to Oxbridge and get PPE and then go into the civil service fast track. They did not believe in it. Are you confident that the mentality and the mindset in your Department is such to deliver on this policy?

Pat McFadden: Yes, and I don't think there is a problem with the way that you paint that picture. I have never been a believer in pitting apprenticeships and FE against higher education. I am for the expansion of opportunity, whichever route people choose. If I look at my own constituency of Wolverhampton South East, we probably do not have enough people there going on to higher education, and there is a debate about that too.

I think that apprenticeship and skills are highly valued. If any of us knocks on a door in our constituency and asks our constituents, "Do you want to see more apprenticeships?" they are likely to say yes. The policy issue is: if you have a limited sum of money, where do you spend it to get the most bang for your buck and create the most opportunities? The decision we are taking, which is not always an easy one, is to tilt that more towards young people. If we can get young people into work, the benefits of that stay with them for a lifetime. Conversely, if they are out of work and they get used to a life on benefits, or stuck in a life on benefits, the cost of that also stays with them for a long time.



HOUSE OF COMMONS

I do not think it is a mindset problem. I think we have brought this together and it is our job to do the best job we can with it, with the other things that the DWP was already doing.

Q103 Mr Bedford: Finally, 600 employers expressed concern about the changes to funding for level 7 apprenticeships because of the impact it will have on economic growth. What are your thoughts on that when so many employers are expressing concern about the change?

Pat McFadden: It is exactly the kind of choice we have to make. If we say you can spread the butter wherever you wish on very high-level apprenticeship funding, we will have less money for young people and less money for foundation apprenticeships. This is a microcosm of government in general. You have to make choices, and we have made a choice to tilt the money more towards young people. I think it is the right choice, for the reasons I said in response to your questions a moment or two ago. It will expand more opportunity and the benefits of it will last a lot longer in people's lives.

Sir Peter Schofield: Can I come back, Mr Bedford, on the point you made about the culture in the civil service? We have 80,000 colleagues in DWP. They are driven by wanting to get people into work, and 93% of people who do an apprenticeship move into sustainable employment afterwards. Apprenticeships are an important part of the overall labour market strategy. As the Secretary of State says, they are a really important part of the offer that we can give to the people we support in jobcentres across the land.

Q104 Amanda Hack: Welcome. Thank you for coming to see us today. I am pleased that skills has moved into Work and Pensions. I think that is an important step looking at long-term skills development and the impact that it has on good work for those who are currently unemployed.

Looking at the data on apprenticeships, one of the things that my employers tell me—I have a lot of small construction organisations in my constituency—is that the length of the apprenticeship is often a barrier for them. How do you perceive some of the shortening of apprenticeships adding to SMEs' ability to engage in offering good training for young people?

Pat McFadden: It is a very good question. We have shortened some apprenticeships from 12 to eight months, but some employers have told us that they want more flexibility than that—that even the eight months is longer than they need. As well as the tilt towards youth, we are moving to shorter courses, which will be apprenticeship units, if you will. This is all funded out of a levy that employers pay. There are certain things that Government will make policy decisions about—we discussed them in the last set of questions—but I also want to try to respond to employers where I can, so a move to shorter courses is something that we are doing.



With construction, we also have a specific package that we have put funding into, just as we have with the uplift on defence expenditure. You can sometimes see a national goal—in this case building 1.5 million homes, or the uplift in defence expenditure—and those things need to be backed up with a skills policy that helps to train our people to do them.

While we are on this subject, I should also say that for me this is a matter of equality, too. The inequality impacts of the NEET figures do not fall in a uniform way across the country. If you look at where the NEET rates are worst, it is the north-east and the north-west followed by the east and west midlands. If we care about inequality and opportunity, we should also really care about this agenda. So, yes to the shorter courses, to apprenticeship units, to this being a bit more flexible.

Of course, I have to say that as we try to respond in a more flexible manner, we will also have to make sure that we maintain quality. Skills England, the new organisation, has a very important role in this. When we knock on doors and ask our voters, “Do you think we should have more apprenticeships?” and they say yes, the reason is that they believe that it is a mark of quality to do that. We always have to bear that in mind as we make the system more flexible.

Q105 David Baines: Good morning. I think we can all agree that nearly a million young people out of education, employment and training is a bad thing and we all want to address that. It has recently been announced that the former Health Secretary, Alan Milburn, is going to lead an inquiry into it. There is a lot already known and already said about NEETs, the reasons, the trends and everything like that. Why is this inquiry needed? How will it help? The Government have already announced policy such as youth guarantees and trailblazers. What difference will this inquiry make and how will it help us move forward?

Pat McFadden: Yes, of course, some stuff is known. I mentioned earlier that in my first three months I had looked at a lot of graphs. The ones that have really jumped out at me have been those concerning young people, inactivity and illness. The reason I asked Alan Milburn to do his report is that I think we need to ask ourselves two big questions here. The first is what has gone on and the second is what is the right policy response to it. To go back to Mr Bedford’s question, I want that policy response to be considered not just as a matter of benefits but right across the piece.

If you look at the terms of reference that we have written for Alan Milburn, they talk about policy responses. That is a very deliberately chosen phrase. He is a good person to do this for several reasons. He is a former Secretary of State for Health, and health is a big and growing part of the NEET problem. He is also a former chair of the Social Mobility Commission, so he really cares about opportunity, breaking down barriers and what holds people back. That takes me to the inequality point I made a moment or two ago. He also recently completed an important piece of work on economic inactivity in Barnsley and what was behind it. He has a



HOUSE OF COMMONS

background and a level of curiosity and energy about this issue that makes him an excellent person to do this report.

This is a real priority for me as Secretary of State because I care about this NEET issue. I care about the inequality that lies underneath it. We cannot start off saying we have nothing to learn about this or nothing to change when the NEET rates have been going up for some years. I expect that we will have new NEET figures tomorrow. I do not have an insight into them, but I will not be surprised if they have risen again. We have to approach this problem with urgency and energy. That is why one of the first things I have done as Secretary of State is to ask Alan Milburn to do this report.

Q106 David Baines: Thank you. Following up on the specific policies that have been announced, the youth guarantee and the youth trailblazers are for 18 to 21-year-olds while the NEET figures are for 16 to 24-year-olds. Why do the trailblazers have a narrower focus? What will there be for those between 16 and 18 or over 21?

Pat McFadden: Let me talk about inactivity and the trailblazers for young people. The structure of government—local government, mayoral government—has changed a lot in the last 10 to 15 years. Skills and labour markets change around the country. I think it was right, therefore, to bring the mayors into this and to use the experience of local labour markets to try some things that were particularly tailored. It is a new thing to do in the skills set-up but I think it is a good thing to do, so they are carrying on.

Eighteen to 21 was a manifesto commitment. If I had all the money in the world maybe I would do more, but again to go back to Mr Bedford's question, we have to make some choices about areas that we will really focus on. I think the youth guarantee is an important policy announced by the Chancellor—well, we talked about it before, but it was given booster rockets by the Chancellor in her conference speech a couple of months ago—where we want to offer young people the chance of work experience, other training, an apprenticeship or, ultimately, if none of that works, a subsidised job.

The important thing is to get young people into the habit of structured activity, whether that is learning in a structured way or it is the experience that we all think benefits people of getting up in the morning and having to be at a certain place and the experience of the workplace. It is so important, not just for earnings, although they are important too, but for a sense of pride and purpose. That is what the youth guarantee is aimed at ensuring. If we can get to this when people are young, we can stop this long-term life on benefits, which can often prove to be very sticky and difficult to get people off if they are on them for a number of years.

Q107 Amanda Hack: Following on from that, and picking up Peter's point about crossovers, how much of a crossover do you think the youth



guarantee will have with the industrial strategy and the key sectors in which we will need jobs for the future? How are we going to play those things out?

Pat McFadden: I said in response to your earlier question that we have specific packages for construction and defence. These are growing areas, partly for geopolitical reasons in defence, but because the Government have made a decision on construction and housing. I think we can tailor things to the growth sectors of the industrial strategy, but if you are not careful in this area—again, I will be candid with the Committee—you will have 10 different priorities and 10 different pools. You have to be careful. If you really pressed me—this is not quite the question you asked—and said, “When you really have to choose, what is it going to be?” it will be young people. I just want to be clear with the Committee about that.

Sir Peter Schofield: To give you an example, three weeks ago I was in South Shields meeting a number of partners but also the chamber of commerce and a number of local employers. What struck me was that they said, “Mathematically, there are quite a lot of opportunities out there for young people, but employers increasingly say they want to have people with experience and our young people don’t have that experience.” One of the things that we will be doing as part of the youth guarantee is giving young people a chance to demonstrate what they can do. As the Secretary of State says, it will give them the opportunity to show what they can do and have a structure, but also to demonstrate to prospective employers that they have a work ethic and they are able to work. This is one of the things—giving young people the opportunity that they do not necessarily have to get on the first rung on the ladder of a job. I saw some of that work in South Shields and we are doing more of that across the country.

Q108 **Amanda Hack:** I was a huge advocate of Future Jobs. It worked really well for the employer that I worked for. Was that a consideration in how we encourage employers to take on young people? Young people in the workplace add a different prospect for employers, so was Future Jobs something that you looked at when creating the youth guarantee?

Pat McFadden: We look at every past programme and every experience that we can. The option we were very keen to avoid—there used to be a phrase about this; I can’t remember if it was no fourth option or no fifth option—was just not doing anything. I think we should have a healthy curiosity about all the previous programmes.

There is another feature of the system that I think is probably not well enough known or talked about, which is the national insurance break for taking on employees under the age of 21. There is no employer’s national insurance unless the person is earning over £50,000 a year, which is quite unlikely in a starter job. That is probably not well enough known but it is an important signal to employers about the value we place on this.



HOUSE OF COMMONS

Q109 Rushanara Ali: Good morning. As you mentioned, the situation with the number of young people who fall into the not in employment, education or training category getting close to a million is not new. It has been going on for years under successive Governments. You have talked about a number of different schemes that have been introduced and we need to see them bed in. Can you talk us through what impact you expect over the next year and the year after in terms of bearing down on those numbers? There is the 350,000 who are unemployed and then the economically inactive group where there needs to be more intensive intervention. What results should we expect to see next year and the year after, given the mix of programmes you have introduced? You must have some projections.

Pat McFadden: You are right that the problem has been with us for a long time, but it has got worse in the last four or five years. The growing feature in it is, as I said, sickness. The number of NEETs reporting long-term sickness problems has grown a lot in the last four or five years. That is partly why I wanted Alan Milburn to look into this. We have the youth guarantee. There will be some more numbers on that soon, in next week's events, in terms of what we can say about the budget for it and how many young people it will help and so on. Bear with us for a few more days on that.

I will also say, and this speaks to a broader approach in the Department, that active employment support is becoming a greater feature of what the Department does. We might get into this more in later questions, but just in this area there are a number of programmes where we are trying to get active employment support to people who are out of the labour market for various reasons, because they are young, they are sick, or they may be veterans. There are a number of different programmes, but they have a common thread, which is personalised employment support to try to help somebody into work in various guises.

Q110 Rushanara Ali: To go back to the point about outcomes, you will have had the Permanent Secretary and others going through what the sum of these programmes will be over the next year, the year after and so on. We are seeing some of the impacts already. Of course, it is a given that to begin with, as these programmes bed in, the numbers will not be as high in terms of getting people into work. What data have you been given as assurance that these programmes will have the desired impact? What can we expect to see by the end of this Parliament, for example, in terms of how many people in this category will be in work?

Pat McFadden: I want to see the numbers come down. I will be able to say a bit more about the numbers in the youth guarantee and who it can help after the Budget. I cannot give those today. I have been trying to make sure we have as good a package as possible but these are collective decisions and, like everything else, they have to be netted off.

Maybe there is a different way to look at this. Some of you will have noticed Charlie Mayfield's report the other week. He had a figure in there



HOUSE OF COMMONS

that for every young person we can get into work and keep in work, over their lifetime it will be worth about £1 million to them, with a similar cost on the converse side to the state in all sorts of things if they are not in work. Whether that is exactly right or not, that gives you a ballpark figure for the long-term impact for every single person we can get out of this category and into work.

Rushanara Ali: We know from some of the evidence from the Youth Futures Foundation that there are billions to be gained. The economic gains in getting results are crucial, which is why I am interested in what we expect to see.

Sir Peter Schofield: Shall I answer your question about the data that is out there, just to enable the Committee to know what it can focus on in the here and now?

Rushanara Ali: Yes.

Sir Peter Schofield: We published on 30 October our first set of Get Britain Working statistics. They go down to local authority level and jobcentre district level by different demographic types. They show into-work rates but they also show progress through the universal credit conditionality regime. You can see at local level the progress that is being made across the board.

Then for individual programmes that are already under way, like Connect to Work, we do evaluations as we go through and they are published along the line. Then, of course, we have the youth trailblazers that are already under way. Those are a new thing, trying to work collectively, as the Secretary of State says, at a local economic geography level, led by local mayoral strategic authorities. They will be developing their own metrics as they try new ways of bringing together a package of support for young people in eight of those trailblazers. We will see the results of those coming through in the next couple of years.

Q111 **Rushanara Ali:** I have a final question on careers. We have seen over a number of years careers services and all that dismantled. You are trying to rebuild a whole series of support structures, coaching and so on. How much are you focusing on the other part, around relationships and networks, mentoring and coaching, which are still important in helping people get into work? Work coaches are important, but what about getting employers involved through direct engagement with young people from school and college age all the way through into Jobcentre Plus and so on?

Pat McFadden: It is a good question. I know, Ms Ali, that you have a background in mentoring and mentoring programmes, and we fund some of that in the Department. The question of networks and social confidence is important for young people, because sometimes people just cannot have the experiences that would open their eyes to opportunities or do not have the confidence to step forward. In this world probably



HOUSE OF COMMONS

much more so than in the past, with the jobs that are out there, this becomes ever more important.

If I can make a broader point on this, in the three months that I have been in the Department I have asked a lot of questions of the officials about what we are spending on these different employment support programmes. How do we know how to get the best value? How creative and imaginative are we being about trying different things? Of course, that entails risk, because people will say, "You did this and it didn't work." Fine, I will take the rap for that. If the Government have made a decision, as they have, to invest more in employment support across different programmes, I want us to be constantly asking, "Are we doing this in the best way? Are we doing it through the best organisations? Are we using the experience of these organisations in the right way? Is there something else over here that we haven't tried that we should be doing?" It should be focused on the outcomes that you have rightly stressed at the heart of your question rather than us always satisfying ourselves that we have gone through the right process.

I think the outcomes are really important. I do not like to use a jargon phrase like "social capital", but that is the phrase people use for this. Confidence, especially for working-class children for whom that is sometimes an issue, is really important in today's labour market, and if we can help them with it, we should.

Q112 John Milne: Good morning. From April next year new claimants for universal credit health benefit will see their award roughly cut in half from today's claimants. The rationale is to incentivise pathways into work. Have you modelled what percentage of this cohort you expect to be able to find jobs, particularly from a regional point of view, given that the job market varies greatly across the country?

Pat McFadden: Alongside that change, which is an important change, will come—to go back to Ms Ali's question—more employment support for that particular group. Why did we go down this road? The system that we inherited had basically two doors. You go through one door and you are in the intensive work support group where you have your mandatory 35 hours of job search activity and all that. You go through the other door and you do not have any of that and you get double the money. That is the system that we inherited and it is the system that we are trying to change on a couple of fronts.

Q113 John Milne: I understand the rationale completely. That is fine. Nevertheless, have you modelled what percentage of the cohort you think will actually find jobs? This is a similar scenario to the PIP reforms. In actual fact, only a few per cent would ever likely have got jobs. What do you think is the case?

Pat McFadden: I do not think you can say with certainty at the moment. The policy change was to narrow that gap between the UC health payment and the standard payment and to match that with more



HOUSE OF COMMONS

employment support for those in that group, partly because of the system that I just described and partly because an increasing proportion of the conditions under which people claim these benefits may fluctuate over time; they may not be permanent. We want to do everything we can not to write people off once the initial decision has been made on their entitlement and to try to help them into work where possible.

Sir Peter Schofield: We published an impact assessment in July on the changes in the Universal Credit Bill. Page 6 of the impact assessment sets out what we know about the impact of the Pathways to Work support package, alongside the changes in incentives, as the Secretary of State said, by changing the premia.

Q114 **John Milne:** Have you modelled the impact on those who do not get jobs? Obviously, they are getting quite a lot less income.

Pat McFadden: For those who do not get jobs, they will get the support that they are entitled to going forward, just like anybody else in the benefit system.

Q115 **John Milne:** In the Green Paper, the Government said they would publish a White Paper in the autumn on the abolition of the work capability assessment. Reports now seem to suggest that that has been cancelled. The WCA is a fundamental and crucial part of the whole system, so is that correct? Why the change and how are we going to move forward if that is not the case?

Pat McFadden: There were a number of changes in July, as the Committee is well aware. It meant we had to re-look at how we were taking these things forward. The Committee will be aware of the establishment of the Timms review. We may come on to that, but he will consider the whole question of PIP, with the other reviewers. There are some elements of the Green Paper that are now being looked at in a different way. That is also true of what it said about young people, because I have asked Alan Milburn to look at this across the piece. I think that after July it was right to take into account the legislative changes that Parliament had voted for and to take this forward, in some senses, in slightly different ways.

Q116 **John Milne:** Will there be clarity about how this process will carry on from here?

Pat McFadden: We will communicate with you all the time on what we are doing and give you as much clarity as we can, yes.

Q117 **John Milne:** Thank you for that. Labour's manifesto promised to review universal credit "so it makes work pay and tackles poverty". In March the Minister for Social Security and Disability told the House that despite there being no terms of reference the review would take place throughout 2025, so presumably that has been ongoing. What has the review looked at so far and what has it involved?



HOUSE OF COMMONS

Pat McFadden: That is right. It is looking at a number of different issues in universal credit. For example, the change that was made to the maximum repayment rate, from 25% to 15%, should be considered in that light—

Chair: On deductions?

Pat McFadden: Yes. The fair repayment rate. There is also the increase in the standard rate of universal credit and the discussion that we just had about the difference between standard rates and additional health or disability rates. A number of changes have been made or legislated for so far on universal credit and those should all be considered under that umbrella of a review of the system.

Sir Peter Schofield: The review started with a massive engagement with people and organisations—roundtables, focus groups and research, and a survey of 10,000 customers. There was a stage 1 to build the evidence base and, as the Secretary of State says, beyond that some specific things have come out, such as a change to the fair repayment rate.

Q118 **Steve Darling:** Welcome. I would like to turn to the Timms review. Under your watch the terms of reference have been changed, to talk about sustainability of PIP within the track lines of the OBR's projections. There is a risk that those who have engaged with this process may fear that they are aiding the axeman in respect of PIP. What words of reassurance would you give to them? What was the rationale behind the refreshed terms of reference?

Pat McFadden: The Timms review is an important exercise. We have two co-chairs appointed with Stephen. We are assembling a panel of people from various organisations who represent disabled people or are disabled themselves. I think it will be a really strong group. It is important to signal that the job of the Timms review cannot be to come up with more expenditure on this; it has to work within the budgetary parameters of the rest of the Government, within the fiscal rules that the Government abide by, and it was important to signal that at the start of the work.

Q119 **Steve Darling:** The Social Security Advisory Committee advised against using the term "co-produced" because of concerns that it may not truly be co-produced. Why did you continue to use it?

Pat McFadden: We want to work with disability organisations. It is right that they have a voice in policy. Of course, it is also true that at the end of the day the Government have to make their decisions. That is always the case, because only the Government have to consider policy in the round; only the Government have to consider policy for all the different competing demands there are on them for expenditure across different Departments. It is important to work with disabled people's organisations and with all the interested groups. We want to give them a proper voice. I believe that Stephen and I and the Department are committed to this, but again, in a spirit of candour with the Committee, I say that in the



end, the Government have to make the decisions on policy, financial resources and so on.

Q120 **Steve Darling:** Can you rule out future cuts?

Pat McFadden: I am not ruling anything out. I have only been in the job for three months, and if I start ruling things out it will just close doors in the future, so I am not ruling anything out.

Q121 **Steve Darling:** You have talked about the importance of co-producing with disabled groups, and I assume that hearing the voice of disabled people is very important to you. The Alan Milburn report did not really engage with young people's groups.

Pat McFadden: It has not started yet.

Steve Darling: What confidence can we have that it will be engaging with younger people's groups? Are you giving it a direction about that? I have heard from some disabled groups that they are concerned that the voice of the young person is not necessarily being heard.

Pat McFadden: I am sure he will talk to people across the board. He brings to this a level of curiosity and energy that I think will be a real asset, and I want him to look at this issue of young people, work and opportunity right across the piece. That is important, because if we only look at this Department by Department, with Department A over here just looking at its bit of it, and Department B over there, we will not really get to the answer, because that is not how people live their lives. People do not live their lives according to neat departmental structures. Why on earth would they? It is up to us to be imaginative enough to frame our policy in the same way.

Q122 **Damien Egan:** On the co-production model, Secretary of State, you are quite right to assert that it is the Government that make the final decisions. I do not necessarily need a comment from you on this, but I want to flag that there are so many good examples from local government of disabled people's commissions that were genuinely co-produced. I know that Hammersmith led the way. We did one in Lewisham. I remember being apprehensive at the start but found it very pragmatic and realistic about the financial challenges that local authorities were facing. This is a plea to look towards some of those examples from local government.

Pat McFadden: It probably does not need much response from me, but if there is good experience in local government, we should, of course, learn from it. We touched on this elsewhere in different policy areas and skills. I think you make a good point.

Q123 **Johanna Baxter:** Good morning, both. You are currently rolling out Connect to Work, the main employment support programme for sick and disabled people. Concerns have been raised with the Committee about the roll-out, and specifically about the commissioning. Enable Works, the largest employment support provider in Scotland, said: "There appears to be a limited understanding among commissioners of what specialist



HOUSE OF COMMONS

Supported Employment and IPS are, and how critical fidelity to these models is for achieving better outcomes. Too few providers have the training, experience, or infrastructure to deliver those approaches to fidelity, yet contracts have often been awarded to organisations without this specialism." How do you respond to that?

Pat McFadden: I referred to this earlier. First, it is a very important programme. I talked about the two doors into the system and having a more active approach for people who have, for one reason or another, gone through the door marked long-term disability and sickness benefits. I visited the Connect to Work project in Portsmouth a few weeks ago and found fantastic help being offered to people, very often people with a combination of mental health issues and physical issues—it is not always one thing. I found good, targeted help, and people praising the programme. I say that because some people have said, going back to our discussion about departmental boundaries, "Should benefits have anything to do with health?" If you want to put it crudely, "Are you bringing the benefits police into the health system?" I can tell you that people who benefit from this help do not view it like that. They think it has been beneficial, for example, to be referred for work help by an organisation that might have been helping them with a physical or mental health problem. I do not think we should be scared of that.

On the question of who is doing it, who we contract with and so on, this applies right across the board to employment support programmes. This is why I am really interrogating this. How are we spending this money? Who are we working with as local partners? Are we sure we are getting the best bang for our buck? With every respect to the organisation you quoted—they might be totally right—I suspect that in this world you are probably always going to get somebody who says, "You shouldn't be doing it that way; you should be doing it this way" or, "You shouldn't be doing it with that organisation; you should be doing it with this other organisation," and we should listen to that. We probably will not keep everybody happy here, but I have stressed to the team the need for curiosity, considering all the different experience out there and the expertise in these programmes, because it is an investment from the state, ultimately funded by the taxpayer, to try to help get people into work.

Peter, do you want to say a bit more about how the Connect to Work programmes are trying to do what I have just been talking about?

Sir Peter Schofield: It is £1 billion across England and Wales, and in England and Wales it is being led by local authorities. It is a new way of doing things to be more led by local authorities rather than centrally contracted by the Department. There are 49 local areas if you include the mayoral strategic authorities with the integrated settlement, and 47 excluding the two with the integrated settlement, and we are working with each of those. They bring forward their plans, we interrogate them in the spirit of what the Secretary of State was just saying, asking what outcomes they are delivering, and then we agree a funding package.



HOUSE OF COMMONS

The latest information is that we have announced that 23 of the 49 areas in total are now live. We have agreed funding for a further 30, so that accounts for £650 million of the total of £1 billion for the period up until 2030, and we are making good progress with the others. They should all be up and running well in advance of the next financial year.

Q124 Johanna Baxter: In your response to our recent report on reforming jobcentres, you said that you would review the performance of the new programmes. Will that include measuring the performance of individual providers?

Pat McFadden: I think we should look at the programmes and see how they are working for all the reasons we have just been discussing. Evaluation is a constant part of this, and there are risks involved in this. If you go with a number of providers, they will not all work, and some people will say that we wasted money by going with this provider over here. That can happen in this programme, but I think if we were so risk averse that we always said, "We are only going to do this one way. This has been successful in the past, so we are never going to change what we do," I think we would be missing opportunities. There is a varied landscape out there. There are people with expertise in trying to help, in this case, sick and disabled people into work, and I think we should use that expertise. The more local approach will probably give more varied results, but I think it will also let us tap into a greater variety of expertise in the long term.

Sir Peter Schofield: That is very much the approach. By doing this locally led rather than through a centrally contracted model, as we have done with so many employment programmes in the past, we can tailor it to the local labour market and have better connection with other local providers who might be particularly relevant in a local context that we would not know about from Whitehall but would be known about locally. Hopefully, we will see some interesting, innovative approaches coming through.

You are absolutely right, Ms Baxter. We will then test and track progress and evaluate. We launched and published an evaluation strategy setting out our approach to evaluation back in July, and that gives a bit of a framework. As I said earlier in my answer to Ms Ali about the metrics that we are already publishing quarterly, you will be able to see into-work rates by local authority area and jobcentre district level, and movement through conditionality groups. In real time, every quarter, hopefully you will be able to see some of the progress in each of your areas, as well as the national picture.

Q125 Johanna Baxter: Will those statistics be for England and Wales only? Will you also have that level of detail for Scotland?

Sir Peter Schofield: That is a good question. I think they are GB-wide. Yes, they will be GB-wide.

Q126 Johanna Baxter: Excellent. I look forward to reading them. The guarantee of employment support for disabled people is to come with a



new baseline expectation of engagement. How will you guarantee that this new expectation does not result in people being forced into taking unsuitable work or undertaking activities beyond their capabilities?

Pat McFadden: By working with them. I talked about the two doors. We are already inviting tens of thousands of people to come forward with conversations, some of whom have not been contacted for years. I have visited jobcentres and met some people involved in this. Of course, these are the people who have come forward, so that is a particular group, but they all want to work, if they can.

Some people are carrying a lot. There has been a lot going on in their lives—difficult issues. This is not like flicking a switch. That is why this employment support is important, but, going back to what I said about doing things differently, I do not think we should shy away from making the effort. That is important. The two-door system that we inherited was too content to just leave people forever. We are inviting people to come forward. The people I have met are enormously praising of the employment support advisers they have worked with in the jobcentres who are helping them work through things and get back into a position where they might be able to apply for jobs.

We talked about young people and confidence. Sometimes this can apply to older people who have not worked for years too. They need more confidence to get back out there. The employment support programmes are really important in dealing with that too. I am optimistic about it and I think we can help a lot more people than we have in the past. Obviously, that will be important because, as I said, the elected Government have made a decision to prioritise this and to put taxpayers' money into these programmes to help do it.

Chair: We will take a break in a wee while, but before we do, I will ask you this. This is a marked contrast, with an expectation, as you are calling it, that draws disabled people into conditionality. The new deal for disabled people was voluntary but still managed to get tens of thousands of disabled people into work—and successful work; up to 12% over three years sustained employment. Why have you decided to draw this into a conditionality regime? Also, going back to my first question, what considerations were given to safeguarding in this regard? I do not expect a response now, but I would be grateful for a written response on that. We will take our break now.

Sitting suspended.

On resuming—

Chair: Welcome back to the Work and Pensions Committee evidence session with the Secretary of State for Work and Pensions and the Permanent Secretary. We will continue with questions from Damien Egan.

Q127 **Damien Egan:** Secretary of State, you have spoken, I felt passionately, about some of the challenges facing the welfare state and talked about how Governments have had to address and change things to meet the



challenges of the current time. One of the principles that you have spoken about is an element of contribution-based benefits and returning to the historic values of the Attlee Government in setting up the welfare state. I am sure we have all had this when we knock on doors. I find it is mostly men, often 50-plus, who have been made redundant and are quite shocked to turn up to the jobcentre expecting that there will be some sort of contributory element.

Pat McFadden: What is the phrase? They say, "I've paid in all my life".

Damien Egan: Exactly, and I think people feel disrespected. I want to know more about your thoughts on that and on timescales, because obviously this will take time.

Pat McFadden: We could be here all morning with this because I think the idea of contribution as part of the welfare state—we heard reference to it in a statement from the Home Secretary on Monday in a different context—is an interesting and important question. I won't be here all morning, Madam Chair, don't worry, but obviously the history of this is that the original concept of the welfare state in this country and many other countries was a contributory system, and that has been taken over in time by a needs-based system. A needs-based system can have advantages in targeting, but it also creates a looser contract with the constituents who you speak about—we have talked about the doorstep a few times in this session—who say, "I've paid in all my life." That is the phrase you hear.

This work began before I was the Secretary of State but I am enthusiastic about the idea of recreating more of a contributory unemployment insurance element, non-means-tested, based on your contributions as part of the system. I think it is a good idea. It is an idea that we hope to take forward next year. It is pretty simple: for a limited period of time, people with a good national insurance contribution record will be entitled to such a benefit. Most people who become newly unemployed roll off the unemployment records within a few months. It does not happen for everyone, but often within three or four months people with a good work record but have lost their work will roll off the unemployment records. However, I think putting more of this into the system is a good idea.

The other major contributory part of the system is the state pension, but beyond that there is really not a lot left in contributory benefits. The Committee will be familiar with all that, but that is the idea and I think that it will have public support. It is something that the public think is probably a greater part of the system than it actually is, and they expect it to be, because that was the founding principle of a lot of these benefits.

Q128 **Damien Egan:** This is a sensitive area, so I will be careful, but one of the things I was struck by on visits to my local jobcentre and from feedback is the increasing number of people using translation services. It is still a minority, but there is a real challenge that has been raised with us. The lack of availability of English lessons was raised with the Committee when we visited the jobcentre in Manchester. This is an example of cross-



HOUSE OF COMMONS

departmental working. This is where DFE comes in, but lots of these services will be provided through and referred by jobcentres. We heard of people being offered one or two mornings a week and in my local jobcentre in Kingswood I heard about people still using translators after eight years. Not only do we not offer lessons but there is a lack of compulsion about it, which makes sense if you do not have lessons to make compulsory.

I am interested in your thoughts and in how DFE and DWP can work together to provide more English lessons. This is not just about the translation side of things; that is the smaller part. The bigger part is that it is so critical to learn English to get into work.

Pat McFadden: Technology will help people to some degree, for a limited conversation, and that is available in our smartphones and so on. Peter, what is the English language position in jobcentres at the moment?

Sir Peter Schofield: Mr Egan is right. I have heard the same as I have travelled around—that some of the provision is not frequent enough. Jobcentres might be telling someone to come to a weekly class but what people need is a really intense period of support to get them to a working level where they can get a job. We are working locally on this. One thing about the change in the machinery of government is that it gives us more leverage with DFE colleges to work on the right nature of support, so it is more appropriate for someone who is learning English to be job ready. There is a lot of work going on, and improvements locally, but you are right about the challenge that we are facing and have faced.

On support for people accessing benefits, there are, as you say, translation facilities that we use and get support for, and they work reasonably well. However, the key thing for us is that we want to get people job ready and sometimes funding for ESOL is the biggest barrier. We want to make sure that the provision is there. It is a little bit patchy at the moment, but we are working to improve it.

Q129 **Chair:** You will be aware, Secretary of State, that child poverty is a key determinant of health status. We know that poverty is a causal determinant of infant mortality. We have one of the highest levels of infant mortality in northern Europe. Every 1% increase in child poverty results in an additional 5.6 babies per 100,000 live births not reaching their first birthday. We also know it is a causal factor in malnutrition, being a looked-after child and needing emergency care. Cleverer folk than me have been able to calculate the impact that that has on other Departments. Recently, the UK millennium cohort study revealed the association of prolonged childhood poverty and family adversity on young people who are NEET. You are five times more likely to be NEET if you have experienced prolonged childhood poverty and family adversity, and that constitutes over half of the cohort of NEET young people today.

Have these factors been considered in relation to whether you have advocated for full abolition of the two-child limit? Are you considering having a protected minimum floor for social security support to offset the



HOUSE OF COMMONS

benefit cap responsible for pushing about 350,000 more children into deep poverty? These are children whose parents earn less than 50% of the median income, much lower than the 60% threshold for child poverty—kids that do not have beds to sleep in and much worse. Also, has the UK millennium cohort analysis affected, or will it affect, the Department's decision to remove UC health from young people under 22?

Pat McFadden: There is a lot in there. Let me try to do do it some justice. This is a bit of a frustrating reply, and I do not mean to be frustrating, but we said the child poverty strategy would be published in the autumn. It would be quite fair for you to say to me, Madam Chair, that when you look outside the leaves are falling and we are very much in autumn, but we still have some of it to go, so I cannot say everything to you today. Let me say a few things that I can say.

The Government take this seriously. We had a commitment to reduce child poverty and we want to fulfil that commitment. We have taken some important steps to do that by extending free school meals to all families on universal credit, by extending the warm home discount, which will be worth about £150 off energy bills to one in six families this winter, and by stabilising the crisis and resilience fund to local authorities for the next three years. Those things are important but they are not everything.

I agree with you on the point you make about things being connected—the thigh bone connected to the knee bone. Does poverty have an impact on NEET? Yes, it does. I have read the millennium cohort analysis to which you referred and it makes that point among others. These things are connected. Without anticipating any announcements that will be made, if there is further action on this, I want it to be seen not just as a benefits issue but as a reduction in platform that will give the children and families who benefit from that an enhancement of opportunity elsewhere in their lives. We have talked in this session about cross-departmental approaches to things and that is true of this, even though there is a specific social security question here about universal credit and the two-child limit.

If there is change on that, it should be seen in a much wider context across Departments and also across the welfare state as a whole, but I do not want you to tempt me, Madam Chair, to go beyond what I have already said this morning and to say more than I can about a specific date, even though I know that is a bit frustrating because of the timing of things.

Q130 **Chair:** Understood. I would like to pursue a couple of other points with you, Secretary of State. I take on board the importance of the measures that have already been introduced. I think the evidence is really clear that cash support is the key and instant way of alleviating issues that children living in poverty face now. Let's remember that these NEET children who have already experienced 10-plus years of living in dire circumstances that have affected their childhood now need some attention in that context. It is recognised that cash support is the only way that you can instantly alleviate the poverty that they have



HOUSE OF COMMONS

experienced.

I want to link that to my question about the under-22s who are included in the UC Act as it is now. Many of those children have gone through significant difficulties. Given what I have said about the impact on their health and their employment opportunities, and the arbitrary nature of selecting 22 as an age when you are not meant to be ill, how are you addressing that in a safeguarding approach?

Pat McFadden: There are two parts to that question. Let me try to deal with them one by one. On cash support and the speed of it and so on, your point is well made. You have made it and, as you can imagine, many other people have made it to, not just in the three months that I have been the Secretary of State but during the much longer work of the child poverty taskforce, of which I am co-chair along with the Secretary of State for Education. I will leave that there for now.

On the under-22s, do you mean the proposal to withdraw, or the suggestion of withdrawing, UC health from under-22s?

Chair: Yes.

Pat McFadden: We have not made a decision on it, but the argument for it is that these benefits are sticky and if we can get more opportunity for people, and less chance of them going through that long-term sickness door and staying on it, that is better for them in the long run. We may have a difference of opinion on that, and that is fine—we will not always agree—but, again, I always want to speak to the Committee with candour.

We have not made a decision on that—not to repeat earlier answers—but the whole issue of young people, sickness, unemployment and work is within the terms of what I have asked Alan Milburn to look at in the next few months. It is in there and I do not want to make a decision on it until we have looked at things in the round.

Q131 **Chair:** Okay. Again, I make the point about evidence. It is not my opinion. Of course we need to ensure that we are giving the right, evidence-based support. I am making the point, based on this evidence, that a conditionality approach rather than a supportive approach may have an outcome that we would not want.

Pat McFadden: You could argue that the evidence shows that if you go on these benefits at a young age, you tend to stay on them and that is not very good for your life. There is plenty of evidence for that too.

Chair: Okay. We will move on.

Q132 **Johanna Baxter:** The children's commissioners for the devolved nations told us in September that they had not met with you or your predecessor at the time. Can you confirm that you have met with them now? Also, how will you improve co-ordination with the devolved nations?

Pat McFadden: I have not met the children's commissioners from the devolved nations. I have had lots of meetings in the last few months. I



HOUSE OF COMMONS

am very happy to meet people and I am sure we can arrange that.

To your broader question about relationships with the devolved nations, this used to be my job in the Cabinet Office, where, for obvious reasons, I took it seriously. It is important. In the benefits world, and especially now with skills being added to the Department, we have a mixed picture. Some of what we do—things such as universal credit and the state pension—are GB-wide, while parts of the skills world are devolved. We will have to work within all those parameters.

My general view of this is that, yes, people have their different political colours, and you have a Scottish Parliament election coming up in six months, where it will be very hot, for obvious reasons, but on a Government to Government basis, whatever people's political colour, they want more opportunity and security for people. I am reasonably optimistic that on a day-to-day level we can work pretty well with the Scottish Government and the Welsh Government.

Sir Peter Schofield: I endorse that. Over the last few years, we have seen quite a significant devolution of benefits to Scotland, particularly in the health and disability world, and that has been done in a joined-up, effective way. I have had regular meetings with my opposite number in Scotland and a joint team that has been working together. Those programmes have successfully met milestones and supported our Scottish customers to continue to receive benefits as they are devolved.

Q133 **Lee Barron:** I want to pick up on your point about publication of the child poverty strategy. We are well into autumn and there are still some more bits to be done. Could you give not an exact time, but a ballpark indication? Will it be before the end of the year? Will it be the early part of next year? Obviously, there is a lot riding on it, and a lot of priority has been given to it since the election of July 2025, so a lot of us are keen to see it.

Pat McFadden: I totally understand that. "Autumn" is quite a flexible parliamentary term, but I do not think I could stretch it into next year, so you will not have too long to wait for some conclusions. It is just that the Session falls when it does and I can only tell you what I can tell you today. I cannot really say more than that this morning.

Q134 **Amanda Hack:** The Committee published a report on pensioner poverty in June, and then in July the Government set up a new Pensions Commission. In our report, we concluded that the lack of a central Government strategy for an ageing society is holding back progress. Is there a reason why a decision was made not to commit to a cross-Government strategy for an ageing society, and do you see the Pensions Commission addressing some of those issues?

Pat McFadden: Yes, we do. The Committee's interest is in the gradual raising of the state pension age and what effect that has on people who are just a few years short of the state pension age. Let me say two things. First, we should always learn from each time the pension age goes up. It is 66 and it is going up to 67. We have launched the process



to consider a further rise to 68. That process should consider all the evidence—life expectancy, all the impacts—and hopefully it will do that. Alongside that, we have the consideration of what has happened with auto-enrolment after a very successful policy, but with gaps in it, many years since its introduction. It is important to consider all the evidence in the work of these bodies and I hope they do.

Q135 Amanda Hack: As a Committee, we discuss the overall concern about pension adequacy, that there is a real risk of a lot of pensioner poverty and that becoming more problematic. In the run-up to people retiring, there are more individuals going on to out-of-work benefits for ill health. I am interested to hear about how you consider the challenge of pension adequacy long term.

Pat McFadden: Let me make a few points in response to that. First, when people reach state pension age, of course they get the state pension. You know that the Government have kept their commitment to the triple lock, which should mean a rise in the state pension of roughly £1,900 a year over the course of the Parliament. That is a very important commitment to maintain the value of the state pension year on year, so it is important to say that.

On the years running up to that, there are more people in that age group in work as the state pension age goes up, and there are some numbers on that. For those who are not in work, the working-age benefits are available. Working-age benefits tend to be a bit lower than the state pension but if we were to say they should not be, we would effectively be reversing the increase in the state pension age and it is not Government policy to do that. The reason why working-age benefits are a bit lower is that they are thought not to be permanent; someone could be in work up until the age when they get the state pension, whereas the state pension is set at a level that assumes that after you get it you are unlikely to be in work again. We have to take all these things into account.

Finally, a significant proportion of pensioners may be drawing on some kind of occupational pension in the years before they reach state pension age. I do not know if you want to add anything, Peter.

Sir Peter Schofield: Yes, just a few things to build on your point, Secretary of State, about looking at the period running up to state pension age and particularly at those moments when the state pension age is going up. We did some reviews and evaluation when the state pension age went from 65 to 66 between about 2018 and 2020. As the Secretary of State said, that demonstrated around 55,000 more people in employment through that period, so that is a response that people can make, and we would obviously be doing a lot of work to support people to get into work at that stage. As the state pension age rises from 66 to 67 from April next year, we will continue to evaluate and monitor through the HBAI—households below average income—statistics that we publish every year, and we will be able to evaluate what happens for those people as well.



HOUSE OF COMMONS

Alongside that, we have commissioned a second wave of Planning and Preparing for Later Life, which is a survey of adults between 40 and 75 across GB that looks at how people are preparing for retirement and at their experience in the early period of retirement. That is all important input that the Pensions Commission can take into account when it considers adequacy.

Q136 **Chair:** I think it was one of the DWP's reports that showed that 30% of the increase in incapacity benefits was due to the increase in state pension and demographic changes. Will the commission be looking at that in a bit more detail as well?

Sir Peter Schofield: The commission will have that information available alongside everything else. As you say, the increase in incapacity benefits is in part related to some demographic impacts.

Q137 **Steve Darling:** In the last two winters, we have seen two approaches on winter fuel payments. What learnings has the Department taken on winter fuel payments that can be applied to policy?

Pat McFadden: I hope we have a settled position now. You are right that the position has changed over the last couple of years. What are the learnings? People value their winter fuel payment. That is certainly one learning. I believe it is right in this payment to take account of income in some way and that is what we have done. We have set it at the new level for this winter and I think we have the balance right now. I got a text message from someone I know this morning who has just had her winter fuel payment, so they are being paid out. I think we have got to the right place now.

If I might, Madam Chair, I will take the opportunity to say that we have had some attempts at fraud and scams to try to get people to give their personal details through phone messages. I highlighted this in the media about a month ago. Just to put it on the record, we will never ask for people's financial details over the phone like that. People should be wary of these scams and not respond to any message like that. They will get their winter fuel payment in the normal way and they must not be sucked in by any of these scams.

Q138 **Steve Darling:** Thank you. The Social Security Advisory Committee has highlighted a bit of an injustice: older people who are in residential care homes do not benefit from winter fuel payments to support their current living situation. What plans do you have to remedy this injustice?

Pat McFadden: Is that a new situation?

Steve Darling: I believe it has gone on for some time.

Pat McFadden: Yes. I do not know if you know, Peter, but I am not sure that is a new situation. I am very happy to meet the Social Security Advisory Committee. In fact, I think I might be meeting them tomorrow.

Chair: That's a good opportunity.



HOUSE OF COMMONS

Pat McFadden: They can raise it with me there. People can always point to things in the system that they think are wrong, but for clarity, I think the situation you are highlighting is not a feature of the changes in the winter fuel payments over the last couple of years.

Sir Peter Schofield: I do not think it is. I think it relates to someone in residential care whose care is paid for by the local authority. The state provision of funds is through the local authority to fund their care and their living costs, so those people cannot access certain types of benefit—attendance allowance, for example.

Q139 **Steve Darling:** I hear that argument, but I suggest that there have been significant increases in fuel costs for residential care homes as well. They have faced their own challenges, and that support through the winter fuel allowance would be helpful. Is that something that you would explore, or is it not really on the table?

Pat McFadden: It is not a commitment I can make today.

Q140 **Steve Darling:** Fair enough. Last winter there was very much a focus on those who received pension credit getting the winter fuel payment, and a drive to get more people on pension credit, which is really important and was successful. I note that about 200 local authorities engaged positively with the Government on that. I have two angles of inquiry on this one: how can you get more local authorities to work closely with the Department, and how are you sharing local authorities' best practice so that more pensioners get the support they deserve?

Pat McFadden: A lot of effort was put into getting people to apply for pension credit. It had been a long-running issue going back many years. Many people entitled to the benefit did not apply for it. We had some success. I think an extra 60,000 people got additional awards, which is significant. That happened in part through efforts to get people to apply. The situation remains that if we have a benefit like pension credit that is there to help pensioners on low incomes, we want them to be aware of it and to apply if possible.

Do you want to say anything more, Peter, about the learnings from that effort last year?

Sir Peter Schofield: There were a number of important elements. The link to winter fuel payments was a big impact, but we did other things too. As you said, Mr Darling, the relationship with local authorities is really important, and we are going to be doing research on what motivates people to claim pension credit—looking at the customer journey, if I can put it in that way—so that we better understand what factors make an impact.

One thing that I thought was really effective was mobilising family and friends of older people to encourage their relative or friend to make a claim and to be aware. We learn from talking to Age UK, for example, that many older people may not claim because they do not feel that they should. We want them to claim, because if they are entitled to it, it is an



HOUSE OF COMMONS

important support. How can we get other people who potential pension credit claimants trust to encourage them to claim? Another thing we can do is make the claim process as easy as possible. These are all things we will be doing, but there is further research on this.

Q141 Steve Darling: We had the pleasure of meeting yesterday and we talked about stopping having a siloed approach to tackling some of the issues that DWP is there to tackle. Is there a greater opportunity to work with HMRC or others to try to draw more pensioners into receiving pension credit?

Pat McFadden: You tempt me into a discussion about digital ID and its benefits. Data sharing between Departments could certainly be one of those benefits, because the lack of a digital ID reinforces the silos that Members have expressed frustration about this morning. Perhaps I am straying beyond my brief, Madam Chair.

Sir Peter Schofield: There is an important data element to this, Mr Darling. Even within DWP, one of the things that we have done a lot over the last year is look at housing benefit claims by pensioners to see whether we can get an indication from them as to whether they might be entitled to pension credit, and then write to those people. I think we wrote to about 120,000 folk over the last winter who we thought, on the basis of their housing benefit claim, might be eligible for pension credit, to encourage them to claim. We can do more on some of these sorts of things within DWP even before we start to work with other Departments, but we need to do more of that too.

Q142 David Baines: I think the original decision on winter fuel was a mistake. I agree that we have ended up in the right place and I certainly hope it is a settled place. It did surprise some people that the threshold was so high when it was set at £35,000. I know you can't win, but how was that threshold chosen? You might not be able to answer this, but I will ask it anyway: is it likely to change in future—or within this Parliament, at least—as the cost of living, inflation and so on change, or will it stay at or around that figure?

Pat McFadden: It was set before I became the Secretary of State, so there is not too much I can say about that. There will always be debate about this and some people may think it should be higher or lower. My view, now that I am in the job, is that it is a reasonable threshold. I do not think there is a case for paying it to every pensioner, regardless of how wealthy they are. I cannot anticipate what will happen in the future, but I think we have reached a stable place on this right now.

Q143 John Milne: Last week you said that you would review your response to the PHSO's report on 1950s women, otherwise known as WASPI women. That was said to be due to looking again at some 2007 DWP research on automated pension forecasts. What aspects of that review provoked you to take another look?

Pat McFadden: The principal thing is that it was not shown to the previous Secretary of State, so it was not possible for her to take it into



HOUSE OF COMMONS

account in making the decision that she made. When it was cited in the judicial review of the decision, I took the view that the right course of action was to retake the decision, taking into account several things: first, this piece of survey research; secondly, all the material that had previously been taken into account, because we do not take a decision like this based on just one thing; and thirdly, asking the Department if there was anything else that may not have been drawn to the previous Secretary of State's attention that might be relevant to this decision.

I made the statement to Parliament last week. We are now going through the process that I have just outlined. I think you asked me, Madam Chair, during the statement how long this will take. I said I would do it as soon as possible. I know that is perhaps a frustrating answer, but we are going through that process. I do not want to take too long about it, but I want to do it proper justice. I will return to the House properly when I have retaken the decision and have something to announce.

For the purpose of completeness, I should say that I do not want anyone to read any assumptions into the conclusion by virtue of me retaking the decision. I suspect that is all that it is sensible for me to say about that this morning.

Q144 **John Milne:** I think lots of people are drawing assumptions, not surprisingly, so thank you for that clarification. Is there anything in particular in the research that has—

Pat McFadden: Well, it is in the Library of the House. It is available to the Committee and to anybody who wants to look at it. It is a set of questions. It is a chunky document of about 150 pages, I think. A lot of it is concerned with printed material that was sent out, how effective it is, people's recall of it and so on. I am being careful, Madam Chair, for reasons that I think you will understand. I do not want to say too much more.

Q145 **John Milne:** Okay. This research was provided to the PHSO prior to its report to Parliament, so there is a little bit of confusion as to why it has only just come to light.

Pat McFadden: It is a good question. It is not new in that sense. The PHSO did have access to this and it has been cited in the legal case. Again, you are slightly tempting me to go further than I should. It is not new in a sense, but I think it has not been fully considered in the context of this decision before, if I can put it that way, and that is the process that we are going through now. But I stress again: please do not assume any conclusion or tempt me to pre-empt the decision that I have to take.

Q146 **Johanna Baxter:** Your predecessor planned to work with the PHSO on an action plan to ensure that lessons have been learned from this maladministration. Is that something that you intend to take forward? If you are already taking it forward, can you give us an update?

Pat McFadden: Yes, we are. It is important to do that. The Minister for Pensions is probably more in the driving seat directly, but yes, with my



HOUSE OF COMMONS

full support, we are working with the PHSO on this to come up with an action plan. This area of how we communicate with people and how it changes over time and how people get their information is relevant to Government policy. It is all part of that. Do you want to add anything about the action plan, Peter?

Sir Peter Schofield: It also covers complaint handling. We have agreed that we will have six-monthly reviews. I met the new ombudsman earlier in the year and we talked briefly about this, but this is being led at working level and, as the Secretary of State says, we are learning about the best way of communicating as technology and people's means of receiving information changes. How we work with that, alongside how we respond to complaints, which is another element of this work, are the two main headings for the action plan.

Q147 **Johanna Baxter:** Perhaps you can come back to us once that action plan is complete.

Pat McFadden: I will be happy to

Q148 **Johanna Baxter:** What evaluation have you made of the awareness of people affected by the forthcoming increase to the SPA from 66 to 67 starting in April next year?

Pat McFadden: Peter, what has changed over time as the state pension age goes up?

Sir Peter Schofield: Probably the biggest thing is the online facility making it easy for you to check your state pension. That enables anyone running up to state pension age, and anyone of working age, to go online through the Government Gateway or, in time, One Login to let them to see their national insurance contribution record and what that will mean for them when they retire and what they are likely to receive in retirement. It is a much more sophisticated, tailored approach, making that information available to people, and these are the sorts of changes that we have made over time.

Q149 **Johanna Baxter:** I appreciate that things have changed, but what assessment have you made of the awareness of that increase?

Sir Peter Schofield: I talked earlier about the research we are doing on helping us to understand people's understanding as they approach retirement age and we will keep the Committee up to date with that.

Q150 **John Milne:** I have a question about pre-'97 pensions and lack of indexing. A lot of people looked at the Pension Schemes Bill that has been passing through Parliament as a possible solution to this long-standing problem. Are they wrong? Do you think that the distribution of surplus payments is a potential solution? I was on the Bill Committee, and having heard evidence to this Committee, I do not feel that it will lead to what the campaigners are looking for. Do you agree? Do you think it will lead to some recompense for the lack of discretionary increases? Do we need to enforce the powers of trustees or the Pensions Regulator? Overall, what is the solution?



HOUSE OF COMMONS

Pat McFadden: I believe that the Minister for Pensions has written to the Committee in the last few days with an update on this.

John Milne: Yes, we got that right at the start of this meeting. We have not had time to talk about it.

Pat McFadden: To recap the position, the Pension Schemes Bill deals with this by facilitating a dialogue between trustees and employers in a situation where there is a surplus. Each of them has their legal responsibilities. I am obviously not going to sit here and say that the legislation that we are just putting through Parliament is not going to work. We have legislated for that because we believe that can be a fruitful way forward. We have worked very closely with the Pensions Regulator on this.

The problem—if you want to call it that—or question of surplus is something of a new thing. When I was a Minister in the last Labour Government, it was all about pension deficits and people having to make extra payments to make up deficits. Now that we have these schemes in surplus, the Bill allows for a dialogue between the trustees and employers to see if there can be an agreement to use some of that surplus to address the pre-1997 indexation issue that you are asking about.

Q151 **John Milne:** I agree, but the employers, who are the guilty parties in this, have shown their hand over many years. I am not seeing anything happening unless they are forced to take action. I cannot see why they will behave in a different way.

Pat McFadden: Well, I am not going to call stumps on brand new legislation before it has had a chance to have an effect, so let's see what effect it has. We put those provisions in the Bill precisely because we wanted a mechanism to address the problem that you are raising today and I know the Committee is interested in.

Q152 **John Milne:** Is there not a danger that as a result of that Bill, the surpluses will be used in other ways to reward the company, so that opportunity will go? I understand that you want to see the legislation have impact but this is a point where we take the opportunity now or we lose it.

Pat McFadden: There is more than one use for surpluses, yes. Some people are selling the schemes to insurance companies and all the rest of it, but the Bill allows for this—it facilitates it—and I think we should give it a chance to see how it works.

Sir Peter Schofield: It is important to emphasise that decisions on the release of surpluses are with the trustees, but we will continue to monitor how trustees use these powers as they are granted by Parliament and the Pensions Regulator will also have a role overseeing this.

John Milne: I appreciate that, but we heard evidence that I would think cast doubt on whether that will be effective.

Q153 **Mr Bedford:** In an evidence session earlier this year, we tried to press



HOUSE OF COMMONS

on when the pensions dashboard will be delivered. Clearly, there has been a lag in this space. I have spoken to and met a number of private sector providers who are frustrated that it is holding back their own roll-out. When will it be rolled out?

Pat McFadden: The deadline for everybody to be signed up to it is September next year.

Sir Peter Schofield: October.

Pat McFadden: Forgive me—October next year. When everybody is signed up to it there will be a bit of testing and all of that. I cannot say we will go live the next day, but that is a very important deadline in giving the basic information for the dashboard to work.

I appreciate that this has gone on for a long time. We have been talking about a pensions dashboard for many years. It relates a bit to the question Johanna Baxter asked a few moments ago about the state pension. This is an important mechanism for letting people know their entitlements in the round. October next year is an important deadline. It is not a go-live deadline; it is a deadline for everybody who needs to be to be signed up to it.

Q154 **Mr Bedford:** I do not doubt your commitment to wanting to implement change, and a lot of the stuff you have said today I agree with, in terms of needing to take the country forward, but your success is based on the ability of your Department, civil servants and quangos, and the various independent bodies that you engage with, to deliver the policy agenda that you want to push forward. Are you confident that there is the right culture, ability, work ethic and ethos to deliver those changes? Ultimately, politicians are held to account, but delivery falls with other people.

Pat McFadden: Well, that is the system. I am being held to account here and I am very happy to be in front of this Select Committee; that is part of our parliamentary system. Before I came to see you this morning, I was explaining to my 14-year-old daughter what an important mechanism for parliamentary accountability these appearances were. Of course, Ministers will have their frustrations about delivery or speed. Yes, they are also part of life, but in an elected democracy like ours, the Ministers who lead Departments have a responsibility to drive them as best they can to deliver the Government's policy decisions. That goes with the territory, and I believe that the vast majority of people who work in our public services want to do a good job for the public they serve and want to do the best job they can.

Chair: Thank you so much, Secretary of State and Permanent Secretary. It has been a pleasure to have you give evidence to the Committee.