House of Commons

Work and Pensions Committee

Benefit levels in the UK: Government's response to the Committee's Second Report

Third Special Report of Session 2023–24

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Work and Pensions Committee

The Work and Pensions Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Work and Pensions and its associated public bodies.

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Publication

Committee reports are published on the publications page of the Committee's website and in print by Order of the House.

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Third Special Report

The Work and Pensions Committee published its Second Report of Session 2023–24, Benefit levels in the UK (HC 142) on 21 March 2024. The The Government Response was received on 17 May 2024 and is appended below.

Appendix: Government Response

The Government welcomes the second report of the session 2023/24 as part of the Work and Pensions Committee's inquiry into benefit levels in the UK.

The Department for Work and Pensions (DWP) is responsible for providing financial support to millions of customers who rely on us every day, including the most vulnerable in society.

Following from the pandemic and during a year when war in Ukraine and global supply chain pressures led to high inflation, this Government has taken firm action to support families on the lowest incomes.

In response to cost-of-living pressures, the Government is providing an unprecedented cost of living support package worth £108 billion over 2022 to 2025 which included £20 billion for two rounds of Cost-of-Living Payments. This support importantly helped to shield people from the impact of inflation, preventing 1.3 million people from falling into absolute poverty after housing costs in 2022/23.

Since 2010, the Government has overseen significant falls in poverty with 1.1 million fewer people in absolute low income after housing costs in 2022/23 compared to 2009/10.

In respect of people of working age, the Government has consistently said that the best way to support living standards is through good work, better skills, and higher wages. Support is also provided through the benefit system to those who are unable to work, or who have limited capability for work.

Additionally, since September 2022, it has doubled the Administrative Earnings Threshold from the equivalent of an individual working 9 hours per week at the National Living Wage to 18 hours per week. This means 400,000 more customers will have more intensive support from our Work Coaches.

The Government recognises that these are difficult economic times, which is why two of its top priorities are to halve inflation and grow the economy – two things that materially impact people's living standards, and on which it has delivered. The rate of inflation has more than halved, down from a high of 11%, and the Office for Budget Responsibility (OBR) has made the largest upward revision to the near-term growth forecast it has made outside of the pandemic.

The Government has also increased benefits in line with inflation helping around 11 million working age families. Most State pensions and benefits are uprated annually in accordance with the Social Security Administration Act 1992, which places an obligation on the Secretary of State to assess whether they have maintained their value in relation to prices or, in some cases, earnings. The Secretary of State must then increase some rates and has discretion in respect of others such as Universal Credit which are linked to participation in the labour market.

In April 2024, while inflation is forecast to fall to 1.6% this year, the new and basic State Pensions and the Standard Minimum Guarantee in Pension Credit increased by 8.5%, and other State pension and benefit rates increased by 6.7%. Previous to this, in April 2023, all of these rates had been increased by 10.1% in line with the Consumer Price Index (CPI).

These increases upheld the Government’s commitment to the “triple lock” for the new and basic State Pensions, which is that they should increase in line with the highest of earnings growth, prices growth, or 2.5%. They also maintained the purchasing power of other benefits such as Universal Credit and Personal Independence Payment.

The Government’s response to the Committee’s recommendations is set out below under the report’s four categories:

1. State of play
2. Setting benefit levels: Purpose, principles and policy objectives
3. Benefit uprating: Procedure and scrutiny
4. Factors affecting benefit levels

State of play

Recommendation 1

The Department should set out when it intends to conclude its review of research on the experience of carers. (Paragraph 44)

Response

Ministers have confirmed their intention to publish the research into the experiences of claiming Carer's Allowance. The Department will set out timescales for publication shortly.

Recommendation 2

The Government should commission further research to understand the impact of benefit levels on the health and wellbeing of claimants and its relationship with economic productivity. (Paragraph 55)

Response

The Department has no plans to commission further research to understand the impact of benefit levels on the health and wellbeing of customers and its relationship with economic productivity.

Regarding economic productivity, it is vital that benefit levels (and the design of the benefit system) incentivise work and operate alongside the National Living Wage to ensure that families moving into work are better off than if they were on benefits. This supports families to improve their living standards as well as growing the economy.

It is wrong to write people off, when there is a growing body of evidence that good work can actually improve mental and physical health. Disabled people and people with health conditions are a diverse group so access to the right work and health support, in the right place, at the right time, is key.

The Government therefore has an ambitious programme of initiatives to support disabled people and people with health conditions to start, stay and succeed in work.

These include:

- Employment Advisors in NHS Talking Therapies;
- Youth Employability Coaches;
- The Work and Health Programme;
- Access to Work grants;
- Disability Confident, a digital information service for employers;
- Disability Employment Advisers in Jobcentres;
- Increasing Work Coach support in Jobcentre;
- Increasing access to Occupational Health; and

- Expanding the Individual Placement and Support in Primary Care programme.

Building on this, the Government announced significant additional investment during the 2023 fiscal events. Alongside the delivery of existing initiatives, the Government is now focused on delivering this package which includes:

- Introducing Employment Advisors into Musculoskeletal health services;
- A new voluntary employment programme, Universal Support (US) will provide wraparound support to 100,000 people a year once fully rolled out;
- Our WorkWell programme running in 15 pilot areas to provide light touch work and health support;
- Exploring new ways of providing individuals receiving a fit note with timely access to support; and

- Establishing an expert group to advise on a voluntary national baseline for Occupational Health provision.

Setting benefit levels: Purpose, principles and policy objectives

Recommendation 3

Discussion on the adequacy of benefit levels can often be sidetracked by debate on whether it is possible to define essential costs or needs. We agree that it would be a useful first measure for the Government to set out a framework of principles to underpin the design and delivery of benefit policy. *The Government should, following consultation with stakeholders, outline a set of principles to guide the design and delivery of benefit policy, and to inform decisions on how benefit levels are set.* (Paragraph 69)

Response

Taken in conjunction with recommendation 4.

Recommendation 4

DWP is clear that benefit levels and the design of benefit policy are intended to incentivise work. This is welcome. The Department does not however directly acknowledge the other purpose of benefits: to provide financial support for living costs to jobseekers, people with low earnings, and to those who are unable to or not expected to work. We find this surprising given that the cost associated with benefits is significant to claimants, to the taxpayer and across Government spending. Setting out clear, measurable objectives and a benchmark for benefit levels linked to living costs would enable DWP to measure progress and improve accountability in the system. ***DWP should outline a clear benchmark for income-replacement benefits (such as Universal***

Credit) which relates to living costs as well as incentivising work. When deciding what benefit levels ought to achieve and/ or prevent in relation to living costs, the Department could, for example, consider the methodology used in the Joseph Rowntree Foundation and Trussell Trust's 'Essentials Guarantee'. The Government should then present a statement of objectives for these benefits within the first session of the next Parliament. (Paragraph 89)

Response (Recommendation 3 and 4)

The Committee has acknowledged that work incentivisation is at the core of the welfare system. This is because the Government strongly believes the best way for households to improve their income is through work.

As well as incentivising work, the Department acknowledges the wider purpose of benefits, which vary to reflect the needs of different customers: to support those who are unemployed or on low incomes with living costs, to help those with the additional costs associated with disability and / or to provide more generous support to those who are unable to improve their economic circumstances through work. For example, the standard allowance of the Universal Credit award is paid according to age and the make-up of the household unit. Additional amounts are added to provide for individual needs such as housing, children, disability, and childcare costs. There is a more generous offer for those who are unable to improve their economic circumstances through work, such as the limited capability for work-related activity rate.

The Department's Customer Charter provides standards against which customer delivery can be measured, and focuses on providing 'right treatment, getting it right, keeping customers informed, and easy access'. This includes doing what the Department says it will do, following processes correctly, providing customers with the correct decision, information, or payment, dealing with requests the first time the Department is contacted, or as soon as it can, and publishing information about benefits and services online at GOV.UK.

As set out in the Department's corporate information on GOV.UK, the Department's priorities include maximising employment and reducing economic inactivity, and providing financial support to people who are entitled to it, all while balancing fairness between customers and the taxpayer.

As noted below, in response to Recommendation 10, when conducting the annual review of benefit rates over which they have discretion in matters of uprating, such as Universal Credit, the Secretary of State receives information and advice from a range of policy and analytical teams. This includes equality analyses and modelling of the work incentive and poverty effects of different scenarios, with the OBR assumption of increases in line with CPI as the baseline; analysis from stakeholders outside government; and, with HM Treasury counterparts, he considers the overall fiscal position of the country.

The Department also notes the Committee’s recommendation to outline a clear benchmark for benefits, such as the proposed Essentials Guarantee from the Joseph Rowntree Foundation. There are a range of methodologies used to measure a minimum income level, of which the JRF essentials guarantee is one. Whilst it provides a useful contribution, there is no overall agreed approach to benchmark benefit levels. There is no objective way of deciding what an adequate level of benefit should be - each household will always have different requirements depending on their circumstances.

Recommendation 5

Having established a benchmark, the Department should review the extent to which current benefit levels are meeting this benchmark. If DWP finds that it is not meeting these objectives, it should set out how it intends to reach them alongside annual uprating, for example, by ratcheting-up benefit levels where fiscal headroom allows. (Paragraph 90)

Response

As outlined in the response to Recommendations 3 and 4, the Government does not intend to establish a benchmark for income-replacement benefits.

Recommendation 6

Support provided through Personal Independence Payment (PIP) is not operating as intended. Evidence suggests that insufficient means-tested benefits

frequently necessitate PIP recipients to use their extra costs benefits to cover day-to-day living costs. (Paragraph 98)

Response

The Government agrees that PIP is not operating as intended. As the Committee will be aware, it published “Modernising Support for Independent Living: The Health and Disability Green Paper” on 29 April 2024. The Green Paper looks at whether there are ways the Government can improve how it supports people, including helping to contribute towards their extra costs, in a way that it is also fairer to the taxpayer than the current system.

Recommendation 7

DWP has not clearly stated the extent to which PIP should contribute towards the extra costs incurred by claimants with a health condition or disability. We heard that for some claimants, the shortfall in support provided was significant enough to worsen

physical and mental health outcomes, as well as to increase their likelihood of experiencing financial hardship. (Paragraph 99)

Response

In 2023/24 we spent £21.6bn on PIP and this is expected to grow by 63% to £35.3bn in 2028/29. This is a massive financial contribution from the Government to support people with a health condition or disability.

Personal Independence Payment (PIP) is intended to provide a contribution towards the extra costs disabled people face as a result of their disability with recipients then having the choice and flexibility to prioritise according to their own needs. It is paid in addition to the other support which disabled people may have or be able to access including earnings, savings, the income-related benefits (and any additions or premiums paid because of receiving PIP) or NHS and Local Authority support.

The PIP assessment criteria were developed over a decade ago in conjunction with independent health, social care, and disability experts, and were designed to increase the consistency, fairness, and transparency of the benefit. Early development work considered various ways to identify individuals with the greatest need, including assessing additional costs incurred.

At the time, the Government concluded that the best approach would be to identify proxies for an individual’s ability to participate in everyday life. Twelve key activities which are fundamental to everyday life were chosen to provide a more holistic assessment of the impact of a health condition or impairment on an individual’s ability to participate and enabling us to target PIP on those who face the greatest barriers to living an independent life.

In recognition of the additional costs that disabled people have faced over the last couple of years, the Government paid around 6 million disabled people a Disability Cost of Living Payment of £150 in 2022 and a further Disability Cost of Living Payment of £150 to around 6.4 million disabled people in 2023. For the payments made in 2023, estimates suggest nearly 60% of individuals that received disability benefits would have received additional support through the means-tested benefit payments Cost of Living Payment, and over 85% will receive either or both of the means-tested and pensioner Cost of Living Payment.

Recommendation 8

We welcome the Government's recommitment in its February 2024 Disability Action Plan to take forward plans to set up an Extra Costs Taskforce to understand the extra costs disabled people face in their daily lives. ***DWP should be part of the Extra Costs Taskforce. Once operationalised, DWP should use findings from the Taskforce to***

set a benchmark for the health and disability related costs it intends PIP to cover. It should then set out how it intends to reach this benchmark alongside annual uprating. (Paragraph 100)

Response

The Government is pleased that it can restart the work around the Extra Costs Taskforce. The taskforce will be focused on bringing together disabled people, regulators and businesses, to better understand the extra costs faced by disabled people, including how this breaks down for different impairments.

The Disability Unit is currently working up a project plan and engaging with other government departments, including DWP, to take this commitment forward. The Disability Unit will begin engaging with interested stakeholders, including disabled people, regulators and businesses in due course to create a definition of extra costs, the terms of reference and focus for the task force.

The Disability Unit will also be using insight from the Disability Action Plan consultation findings regarding the impact of the cost of living on disabled people when taking forward work on the Extra Costs Taskforce.

As referenced in the Government's response to recommendation 6 above, Personal Independence Payment (PIP) is now over 10 years old. The Government believes that now is the time to review it and has launched a consultation. Until such time as the Department has reviewed the responses to the consultation, and published the Government's response, it would not be appropriate to further comment on this recommendation.

Recommendation 9

There is a persuasive case that there should be a greater number of levels of support provided through PIP—both higher and lower—to reflect more accurately the experiences of claimants. ***The Department should introduce further levels of support through PIP and the new Health Element of Universal Credit in time for the start of financial year 2025–26.*** (Paragraph 101)

Response

As the Committee will be aware, the Government published “Modernising Support for Independent Living: The Health and Disability Green Paper” on 29 April 2024. The Green Paper looks at how the Government can most effectively support people with long term health conditions and disabilities, in a way that it is also fairer to the taxpayer than the current system.

Benefit Uprating: Procedure and Scrutiny

Recommendation 10

We understand that to increase legacy benefits, changes must be made to DWP IT systems several months in advance—with work needing to be completed by the end of November, for increases to be enacted the following April. Parliament however is not presented with the secondary legislation to approve these changes until months after the decision is announced, by which time it would not be possible for the Government to change its course should it be persuaded. We are concerned that the process does not provide genuine opportunity for Members to scrutinise the Government's plans.

The Government should devise and bring forward further opportunities for Parliament to scrutinise its decisions on benefit uprating. For example, ahead of debate on the benefit Uprating Order, the Government

should provide this Committee with a statement of how its decision on benefit uprating has taken into account its newly stated set of principles and objectives. (Paragraph 109)

Response

The Social Security Administration Act 1992 requires the Secretary of State to give effect to the outcome of his annual review of State pension and benefit rates in an Uprating Order, which is subject to the affirmative procedure and therefore a debate and vote in both Houses. The Secretary of State's statutory review is concluded in November and its outcome is announced to Parliament, normally by way of a Written Ministerial Statement. As noted by the Committee, implementation of the decision must commence in late November to take effect from the following April.

The Uprating Order is normally laid in mid-January and debated in February. It is a

Statutory Instrument subject to the affirmative Parliamentary procedure, so it cannot be amended, but it can be voted down in its entirety. As has been the case under successive governments, this means that implementation of the Secretary of State's decision takes place at risk since the Parliamentary debates and votes take place after the implementation process has begun. The only way of removing this risk would be to lay the Order in time for it to be voted on before the end of November. This would mean using even earlier CPI and earnings growth figures than the ones published in October, increasing still further the lag between the indices used and the coming into effect of the new rates.

In terms of matters that the Secretary of State takes into account when conducting their annual review of benefit rates over which he has discretion, such as Universal Credit, they receive information and advice from a range of policy and analytical teams. This includes equality analyses and modelling of the work incentive and poverty effects of different scenarios, with the OBR assumption of increases in line with CPI as the baseline; analysis from stakeholders outside government; and, with HM Treasury counterparts, they consider the overall fiscal position of the country. As outlined in the response to Recommendations 3 and 4, the Government does not intend to establish a benchmark for income-replacement benefits.

Recommendation 11

We welcome the Government's decision to take a consistent decision and uprate all working-age benefits for 2024–25 by the September 2023 CPI inflation rate of 6.7%. We also welcome the Chancellor's announcement in the 2023 Autumn Statement that Local Housing Allowance rates will be reset at the 30th percentile of

local market rents in April 2024, after several years of freezes and increasing rent prices. (Paragraph 113)

Response

The Department acknowledges and notes the committee’s Recommendation 11.

Recommendation 12

There remains uncertainty for some benefits each year as to whether they will be uprated. We agree with the assessment of the Secretary of State that it is important that “there is an element of fairness to the consistency” of how uprating decisions are made. *From financial year 2025–26, the Government should make an ‘Uprating Guarantee’ to uprate benefits annually with a consistent measure, for example prices.* (Paragraph 122)

Response

The Social Security Administration Act 1992 places the Secretary of State under a statutory annual obligation to consider increases in prices and earnings, and then review the rates of State pensions and benefits in light of the relevant increases.

In certain cases, rates must increase if the relevant index shows growth. For example, extra-costs disability benefit rates – which are intended to provide a contribution to the costs unavoidably incurred by disabled people – must by law be increased at least in line with prices.

However, with respect to benefits linked to labour-market participation, the Secretary of State has discretion as to whether, and how, to uprate them once he has made an assessment of whether these benefits have maintained their value in relation to the increases in prices. In exercising this discretion, the Social Security Administration Act 1992 provides that he may have regard to the national economic situation and any other matters which he considers relevant.

In practice, when exercising this discretion, the Secretary of State seeks to strike a balance in the uprating of Universal Credit (and the DWP benefits it replaces) between maintaining work incentives for those who can work, and providing longer-term financial support for those who cannot.

By convention, but not legal obligation, these discretionary benefits – like those which must be increased in line with prices, such as PIP – are typically increased annually in line with the increase in prices as measured by the increase in CPI in the year to September.

Recommendation 13

If the Government decides to deviate from the 'Uprating Guarantee,' it should clearly set out its reasoning to Parliament. The Government should also undertake work to

understand what impact the decision to not follow consistent practice would have on its benchmark of objectives for benefit levels. (Paragraph 123)

Response

The Government has no plans to change the uprating process provided for by the Social Security Administration Act 1992 (see response to Recommendation 10).

Recommendation 14

Policies which reduce the level of support claimants can receive, such as the capital limit rule in means-tested benefits, the benefit cap, and the earnings threshold in Carer's Allowance, risk reducing benefit levels if they are not regularly uprated in line with other prices. ***To ensure that policies designed to allocate and limit benefit entitlement operate as originally intended, the Government should commit to uprating the capital limit rule in means-tested***

benefits, the benefit cap and the earnings threshold in Carer's Allowance on an annual basis. (Paragraph 126)

Response

The benefit cap continues to provide a balanced work incentive and fairness for hard-working taxpaying households, whilst providing a safety net of support for the most vulnerable.

The Secretary of State has a statutory obligation to review the benefit cap levels at least once every five years. There was a significant increase following a review in 2022, as such a review is not required until November 2027.

The recent announcement of reforms that will see more people start, stay and succeed in work is a priority. And, of course, moving into or increasing employment will significantly reduce the likelihood of a household being capped.

The capital limit in Universal Credit and the DWP benefits it replaces is £16,000. Capital between £6,000 and £16,000 is reduced by an assumed income. This is to protect the taxpayer and ensure resources are concentrated on those most in need whilst they are of working age.

In Pension Credit there is no capital limit. The first £10,000 of capital is disregarded, and claims are subject to a tariff-income rule above that level. This provides some recognition of the past savings behaviours of pensioners who put money aside during their working lives to help provide for their retirement.

While the Department keeps the capital limit in Universal Credit and the DWP benefits it replaces under review, there are no plans to change it. The Department recognises why the Committee would wish the limit to be raised annually, but it must strike a balance with other government priorities such as maintaining work incentives, targeting resources, and protecting the interests of the taxpayers who fund the system.

With respect to full-time carers, the Committee will be aware that those on low incomes can claim Universal Credit instead of, or in addition to, Carer’s Allowance. In such cases, earnings are in practice treated according to Universal Credit rules. Currently, around 40% of Carer’s Allowance recipients are above the qualifying thresholds for Universal Credit, and for them the earnings limit in Carer’s Allowance has a practical effect. Whilst there is no legal requirement to increase this limit each year, successive governments have taken the approach of increasing it when it is warranted and affordable. In 2024/25, it was increased by 8.5% in line with the growth in average earnings. The Committee is aware that certain expenses are deductible from relevant earnings under the Carer’s Allowance legislation.

Recommendation 15

We recognise the Department cannot shorten the reference period for benefit uprating due to the DWP IT systems used to uprate legacy benefits. ***In the longer term, and following the completion of migration to Universal Credit, the Government should aim to reduce the length of time between the measure of inflation used for uprating, and the uprating implementation date. The Government should retain this new, shorter uprating reference period each year to maintain consistency within the system.*** (Paragraph 133)

Response

State pensions will be moved to a new modern IT platform, starting in 2025, under current planning assumptions. Other benefits including disability benefits, contributory benefits and Carer’s Allowance will be addressed as part of other programmes when possible.

However, this migration to modern IT services is unlikely in the short to medium term to change the uprating timetable due to interdependencies across government, such as the requirement to pass data to local authorities to assess Housing Benefit for pensioners, and to HM Revenue and Customers for the calculation of 12 million tax notices.

In view of these considerations and those set out in its response to Recommendation 10, the Government has no plans to change the length of time between the measures of inflation and earnings growth used for uprating, and the uprating implementation date.

It should be noted that using a consistent measure of inflation and earnings growth means that peaks and troughs are smoothed over time; and that, in the case of CPI, the increase in the year to April is, on average over many years, higher than the increase in the year to September half the time and lower the other half.

Recommendation 16

It is welcome that the Government is extending the Household Support Fund (HSF) for a further six months until September 2024. Alongside other benefits, the HSF has provided a vital layer of additional support to households during the cost of living crisis. *The Household Support Fund should be made a permanent feature of the social security system. This would enable local authorities to plan their provision of discretionary support to households better.* (Paragraph 134)

Response

The Household Support Fund was introduced as part of the government's commitment to supporting the most vulnerable during a year when war in Ukraine and global supply chain pressures led to high inflation.

Since October 2022, the annual increase in CPI has already more than halved from 11.1% to

3.2%. This is stabilising the financial situation for many families, and the OBR expects that by Quarter 4 2024 (October-December) the increase in CPI will have fallen to 1.4%.

In the meantime, some people will need further, targeted help to get back to a stable financial position.

That is why the Government is providing an additional £500m to enable a 6-month extension of the Household Support Fund. This includes funding for the Devolved Administrations through the Barnett formula, to be spent at their discretion.

This means that local authorities in England will receive an additional £421m to support those in need locally from 1 April 2024 to 30 September 2024 through the scheme. This brings the total amount of funding announced for this type of support since October 2021 to £3bn, including Barnett impact. This includes over £2.5bn allocated to local authorities in England.

The Government has also delivered a balanced package of funding through the Local Government Finance Settlement for 2024–25. The 2024–25 Settlement makes available up to £64.7 billion for local authorities in England and includes a package of additional measures worth £600 million, of which £500 million is new grant funding for social care authorities.

The most relatively deprived areas of England (the upper decile of the Index of Multiple Deprivation) will receive 18% more per dwelling in available resource through the 2024–25 Settlement than the least deprived areas.

Local authorities can continue to provide local welfare support to their residents using their existing powers. Indeed, many local authorities already operate local welfare schemes that, subject to local eligibility criteria, include help for vulnerable households with essential costs.

Department for Levelling Up Housing and Communities (DLUHC) works closely with the local government sector and other government departments to understand the specific demand and cost pressures facing councils.

Recommendation 17

The evidence is clear that support for housing costs cannot be viewed in isolation from wider support provided through other benefits. When and if claimants experience a shortfall in rent, this can impact other parts of household budgeting and erode income otherwise intended for daily living costs. ***The Government should make a commitment to uprate annually Local Housing Allowance so that it retains its value at the 30th percentile of rents in a Broad Rental Market Area (BRMA).*** (Paragraph 141)

Response

The Government understands the importance of stable housing and is taking action to increase access to affordable housing. Increasing the Local Housing Allowance (LHA), in recognition of increasing rents, is a key part of helping those who get housing support. That is why the Secretary of State has committed to reviewing the LHA rates every year, taking into account a range of factors including evidence on local rents and the broader fiscal context.

Recommendation 18

The Government of the day has a political mandate to make decisions about benefit adequacy, but its decision-making might be assisted by independent advice. ***There is scope for DWP to commission independent research, either via an independent body, such as the Social Security Advisory Committee, or ad-hoc, to supplement its own review of the extent to which current benefit levels are meeting its objectives for what benefit levels should achieve in relation to living costs.*** (Paragraph 146)

Response

The Department currently has no plans to commission independent research into the extent to which current benefit levels are meeting its objectives for what benefit levels should achieve in relation to living costs.

The Department currently tracks and monitors many different aspects of poverty, including its four statutory measures of relative income, absolute income, combined low income and material deprivation and persistent poverty that are published annually. It also assesses poverty's root causes and long-term impacts. The

The Department also carries out internal evaluations and reviews analysis provided by external stakeholders, and will take a view on whether a further evaluation commission is required.

Factors affecting benefit levels

Recommendation 19

We are concerned that there is not sufficient capacity in the system to absorb the number

of claimants who will be made subject to conditionality, or increased conditionality, following announcements made in the 2023 Spring Budget and 2023 Autumn Statement, as well as planned changes to the Work Capability Assessment. This could have a negative impact on claimants and on Work Coaches, who conduct valued work in our constituencies. ***To improve transparency, the Department should include in its quarterly statistics release, the number of Work Coaches and the average number of claimants they are responsible for. This would help inform an understanding of the pressures on Work Coaches, provide information on the number of Work Coaches working in Jobcentres and help inform an assessment of whether there is sufficient Work Coach capacity in the system. The Department should also include the number of Disability Employment Advisers (DEAs), the number of Disability Employment***

Adviser Leads (DEALs), and the number of Work Coaches DEAs and DEALs are supporting in Jobcentres. (Paragraph 158)

Response

The Department is committed to delivering the appropriate employment and health support to disabled people and people with health conditions who are impacted by the work capability assessment changes to support them to move closer to or into work.

In line with other departments, the Department already publishes monthly workforce management information covering payroll staff by grade, non-payroll staff by type, headcount staff numbers and full-time equivalent staff numbers. DWP is able to supplement this by releasing Work Coach, Disability Employment Adviser and Disability Employment Adviser Leader full time equivalent stats quarterly.

While the numbers of people claiming different working age benefits and in different conditionality groups are already publicly available, publishing average Work Coach caseload sizes will not provide clarity on the level of support provided to claimants. It would exclude all support delivered outside the Jobcentre. It would also not reflect other roles within Universal Credit and the wider Jobcentre that support claimants.

The Department uses extensive modelling to calculate Work Coach demand based on various factors and this is updated as new policies and processes are introduced. It does not use average caseload size as a formal metric to calculate demand for Work Coaches.