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THE PRIME MINISTER

Dear Dame Meg

During my appearance before the Committee on 19 December, I committed to provide further information on the following areas:

International Investment Summit

You asked for further details of the investments announced at the International Investment Summit (question 6).

At the International Investment Summit 2024, this Government announced £63 billion of investments pledged by businesses. Each project and confirmed investment was a direct result of the work of this Government. As Keith Anderson, Chief Executive, ScottishPower, acknowledged, "the Government has shown us a way we are going to clear the blockages, we are working in partnership with our government and we are saying great, we'll speed up our investment".

For example, policy interventions made by this Government, such as changes made to the Critical National Infrastructure classification, encouraged significant investments into AI infrastructure.

We also reached a commercial agreement to unlock £8 billion of private investment to launch carbon capture clusters, enabling growth across the North West and North East of England. These investments were either final investment decisions or announcements that had been accelerated or unlocked because of actions taken by this Government.

Local Housing Allowance

You and Florence Eshalomi asked about the Local Housing Allowance (questions 27 – 30).

The Government accepts that there are difficulties for low-income families in the private rented sector. We have inherited a challenging fiscal situation and need to take difficult decisions to prioritise the Government's funding. At Autumn Budget 2024 we decided to maintain Local Housing Allowance (LHA) rates at their 24/25 levels for 25/26.

Several factors were considered in this decision, including rental data, the impacts of LHA rates and the wider fiscal context. The LHA rates were increased in April 2024 at a cost of approximately £7 billion over five years. At Autumn Budget we prioritised targeting support to households most in need, by investing £1 billion to extend the Household Support Fund (HSF) and maintain the Discretionary Housing Payments (DHPs) scheme. DHPs can be used by Local Authorities to help those in receipt of DWP housing support with their housing costs.

We want to give renters security and stability so that they can stay in their homes for longer, build lives in their communities, and avoid the risk of homelessness. That is why we have introduced the Renters Rights Bill which will level the playing field, end Section 21 'No Fault' Evictions, and give tenants greater security and rights. The Bill ensures tenants are able to appeal excessive above-market rents which are purely designed to force them out, as well as a one-month cap on advance rent payments.

As we discussed during the evidence session, increasing housing is a priority for this Government. We will publish a Long-Term Housing Strategy this spring which will reform the housing market so that it works better for communities, to build 1.5 million high-quality homes over the next five years and delivers the biggest increase in affordable housing for a generation.

Childcare

You and Helen Hayes asked about the roll-out of the childcare expanded hours offer (questions 56 – 58).

This Government is determined that all families should have access to high-quality, affordable and flexible early education and care, improving opportunity for every child and work choices for every parent. We are creating an early education and childcare system which gives every child the best start in life.

As we discussed, we have set a milestone of a record proportion of children starting school ready to learn in the classroom. We will measure our progress through 75% of children at the end of reception reaching a good level of development in the Early Years Foundation Stage Profile assessment by 2028.

In the Plan for Change, we set out our next steps for delivering this milestone. This includes expanding childcare entitlements so that from September 2025 eligible working parents can access 30 hours of high-quality early education and childcare, from the term after their child turns nine months until they start school. It also includes investing in and building up Family Hubs, which provide a one-stop shop for support on early child health, parenting and home learning programmes. We have also announced the largest ever uplift to the early years pupil premium, increasing rates by over 45% to up to £570 per eligible child per year from April 2025. This is alongside existing government-funded entitlements for children whose parents are in receipt of certain benefits or meet other criteria. This will help improve access to childcare for children from poorer households, as well as improve outcomes.

Further action will be needed. We want to improve outcomes for every child as part of our Opportunity Mission, and will set out plans later this year for improving early years education and family services to achieve this ambitious target. Tackling child poverty is central to that.

We recognise the impact poverty and disadvantage have on children and young people. Our ambitious Child Poverty Strategy will reduce child poverty, tackling the root causes, supporting our wider ambitions as part of the Opportunity Mission.

There is a rolling programme of meetings between the Child Poverty Taskforce and experts to support the strategy development process. The sessions are built thematically to bring together a range of experts on specific topics.

For example, in January it heard from experts in children's health, early years and education. Representatives from civil society shared their expertise on ensuring low-income families access quality services to tackle the impacts of poverty.

The Strategy will look at levers across four key themes: increasing incomes; reducing essential costs; increasing financial resilience; and better local support especially in the early years. This will build on the reform plans underway across government and work underway in Devolved Governments.

As poverty affects the whole family, a forum of parents and carers has been brought together to contribute to the Strategy. This approach has been designed to be inclusive and capture the experiences of a broad range of parents, carers and children, including those with special educational needs and disabilities.

Supporting disabled people into work

Debbie Abrahams asked for detail on supporting disabled people into work (question 92).

It is concerning that there are growing levels of economic inactivity caused by long-term sickness, disability and poor health of the working age population. We should do everything we can to ensure that disabled people who are able to work can be supported.

Employers have a vital role in addressing this challenge through recruitment, retention and the return to work of disabled people and people with health conditions. The Government's support to employers includes increasing access to occupational Health, a digital information service for employers (Support with Employee Health and Disability), providing tailored guidance on supporting employees in common workplace scenarios involving health and disability, and the Disability Confident scheme.

The Disability Confident scheme encourages employers to create disability inclusive workplaces and to support disabled people to get work and get on in work. The scheme has been instrumental in promoting inclusive employment practices, successfully attracting over 19,000 employers as members. We are exploring ways to enhance the scheme at all levels.

As part of the Get Britain Working plans the Government has launched Keep Britain Working, an independent review into the role of UK employers in reducing health-related inactivity and to promote healthy and inclusive workplaces. This will focus on ensuring employers can access the full talents of disabled people and people with health conditions, by meeting the needs of their business and their workforce. The review will incorporate consideration and awareness of business impact, whilst understanding that there is more to do to tackle this complex problem.

Additionally, the forthcoming voluntary, locally led, Supported Employment programme, Connect to Work, marks the first step towards greater devolution of responsibilities and funding for employment support to local areas in England and Wales. It will enable local areas to implement plans to tackle economic inactivity and expand employment opportunities for those outside the workforce and facing greater labour market disadvantages.

Connect to Work will fund support across all of England and Wales. Local Authorities are in the process of designing their own local Connect to Work programmes, working within national guidance. With a phased rollout led by Local Authorities' own timetables, we expect to see local programmes opening for Connect to Work referrals from the spring. In 2026/27, in England and Wales, Connect to Work funding will provide support to around 100,000 disabled people, people with health conditions and those with complex barriers to employment, helping them to get into and stay in work.

I hope that the Committee finds this additional information helpful.

All best wishes,

Neil Stan

