Department for Work & Pensions

Supplementary Estimate 2025-26

Select Committee Memorandum

February 2026

Contents

1 Overview

This Memorandum presents the Department for Work and Pensions' (DWP's) main areas of spending for 2025-26 in the context of spending controls.

1.1 Objectives

DWP plays a vital role in delivering the UK government's Missions for Growth and Opportunity. As the UK's largest public services department, we support people to enter, and thrive in, employment. We steward the UK's workplace pensions system and administer the State Pension, and we deliver social security to around 20 million people.

The Secretary of State has identified and proposed as part of the Spending Review 2025 (SR25) Phase 1, five Goals that DWP will be focusing on. These are:

1. Enable people to get into work and to get on at work, ensuring employment opportunity for all.

2. Tackle child poverty and hardship, ensuring financial security for all.

3. Shape the pensions system to serve the interests of savers and pensioners, ensuring decent, secure retirement incomes for all.

4. Pursue a just, equal and inclusive society, ensuring independence and control for all disabled people.

5. Deliver high quality efficient services, ensuring that people are treated with dignity and respect.

The Prime Minister announced in a Written Ministerial Statement on 16th September 2025, a change in the policy responsibilities of the Department to include responsibility for apprenticeships, adult further education, skills, training and careers, and Skills England. The budgets for this Machinery of Government change will be transferred in the Main Estimate 2026-27. The Department's Goals will be updated in the Outcome Delivery Plan for 2026-29 to include this responsibility.

DWP's spending is designed to support its objectives. Detail of which spending programmes relate to which objectives is given in Section 3.1.

1.2 Spending controls

DWP's spending includes several individual spending totals, for which Parliamentary approval is sought.

The spending totals that Parliament votes are:

- **Resource Departmental Expenditure Limit ("Resource DEL")** - day to day running costs of the department.

- **Capital Departmental Expenditure Limit ("Capital DEL")** - investment in infrastructure and loans. Financial transactions in Capital DEL mainly relates to Social Fund Funeral Expense Payments and loans to Public Corporations.

- **Resource Annually Managed Expenditure ("Resource AME")** – less predictable day-to-day spending. In DWP's case, mainly payment of pensions and benefits.

- **Capital Annually Managed Expenditure ("Capital AME")** – less predictable investment spending. In DWP's case, mainly Universal Credit Advances to customers, payments of Support for Mortgage Interest loans, leasehold dilapidation provisions and Social Fund net lending.

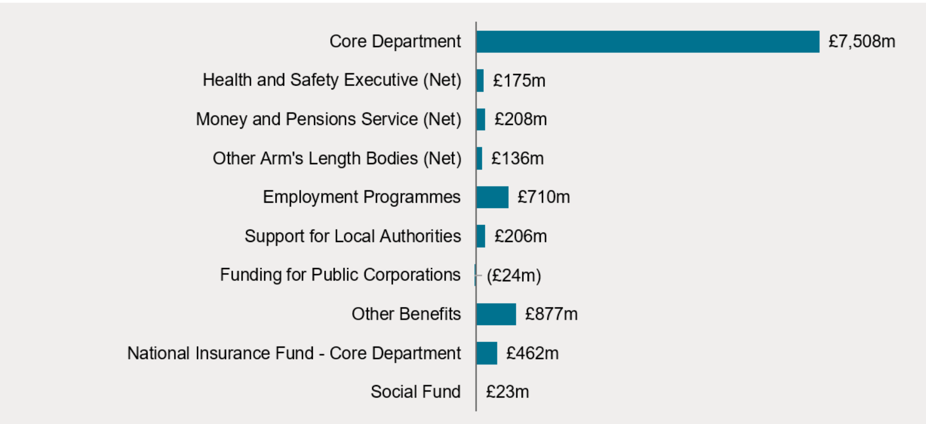
- **Non-budget expenditure** – the cash paid into the Social Fund.

In addition, Parliament votes a Net Cash Requirement, which covers the cash elements of the voted spending totals above.

1.3 Main areas of spending

The figures below show the main components of DWP's proposed budget included in the Supplementary Estimate 2025-26 and the proportions of funds spent on its main activities.

Figure 1: Resource DEL 2025-26 (£10,280m)[1]



[1] Figures may not sum due to rounding.

Figure 2: Capital DEL 2025-26 (£722m)[2]

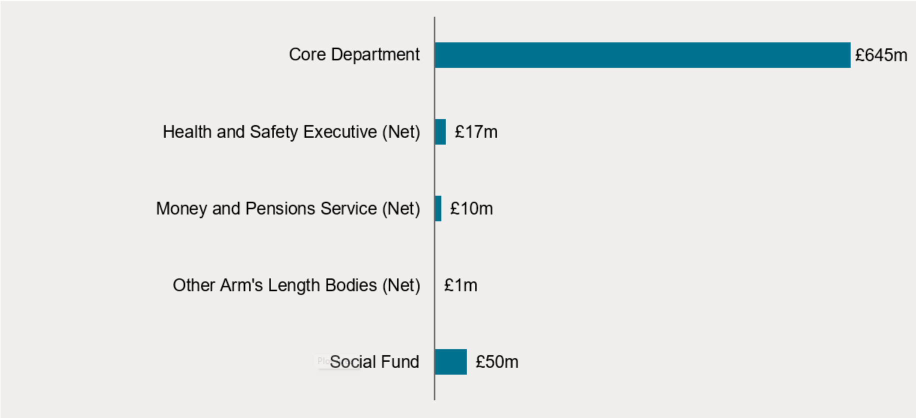


Figure 3: Resource AME 2025-26 (£314,669m)[2 3]

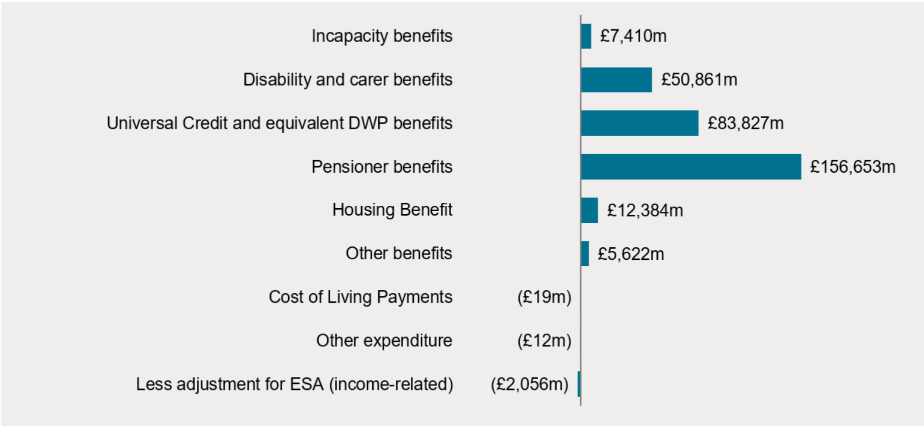
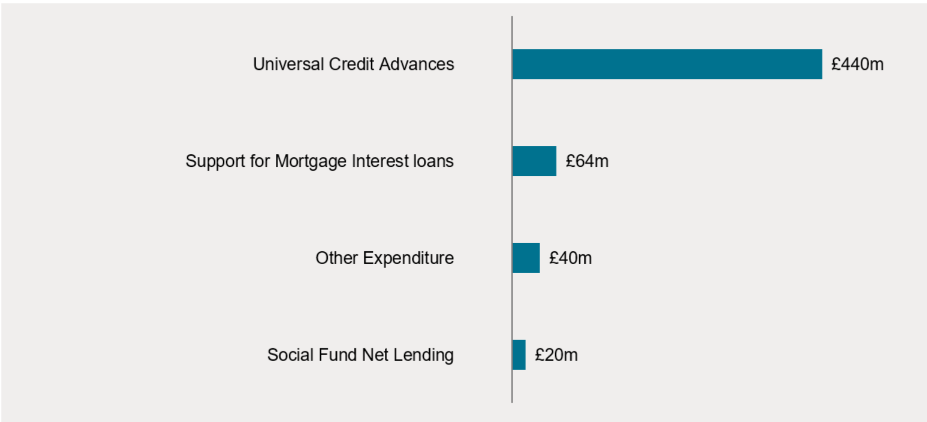


Figure 4: Capital AME 2025-26 (£564m)



[2] Figures may not sum due to rounding.
[3] Includes adjustment to remove the double count of £2,056m income-related Employment and Support Allowance (ESA) which is included in both incapacity benefits and in UC and equivalent DWP benefits above. ESA supports people with a disability or health condition that affects how much they can work and income-related ESA also forms part of the benefits we pay to support people with their living costs. This means that expenditure on this benefit features in both categories.

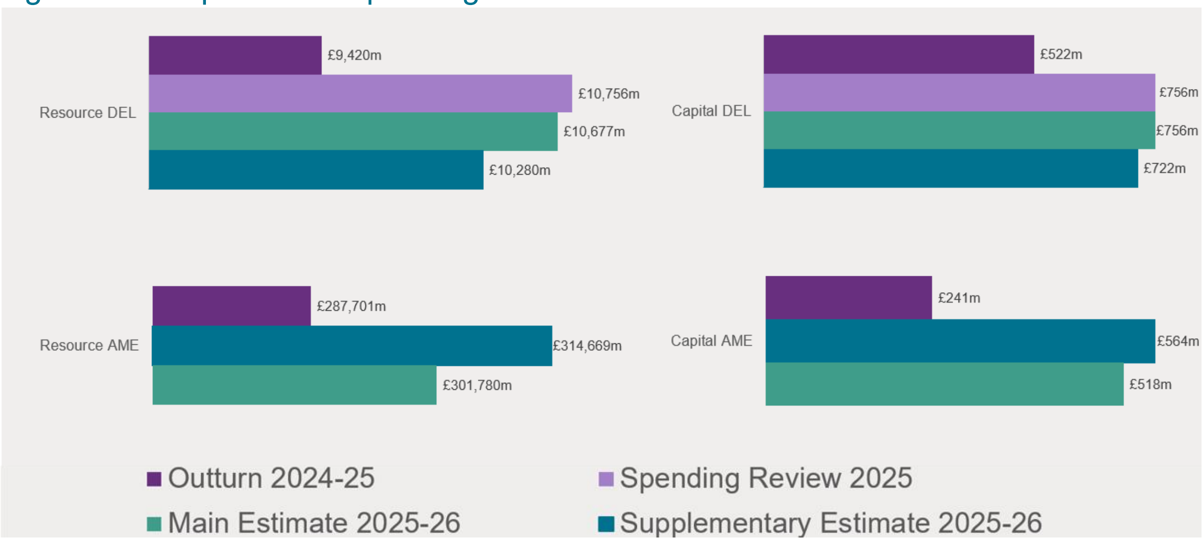
1.4 Comparison of spending totals sought

Table 1 shows how the totals sought for DWP in the Supplementary Estimate 2025-26 compare with the Main Estimate 2025-26 and outturn for 2024-25. Further details of the changes compared to the 2024-25 outturn are provided in section 1.5, with details of year-on-year spending trends in section 1.11 and changes compared to the Main Estimate 2025-26 in section 2.1

Table 1: Comparison of spending totals [4] [5] [7]

	Amounts sought in Supplementary Estimate 2025-26	Changes compared to Main Estimate 2025-26		Changes compared to Outturn 2024-25		Changes compared to Spending Review 2025	
	£m	£m	%	£m	%	£m	%
Resource DEL	10,280.2	(397.0)	(3.7)	860.3	9.1	(475.5)	(4.4)
Capital DEL	722.1	(34.2)	(4.5)	200.0	38.3	(34.2)	(4.5)
Resource AME	314,668.6	12,888.6	4.3	26,967.6	9.4		
Capital AME	563.9	45.9	8.9	323.2	134.3		

Figure 5: Comparison of spending totals[6]



1.5 Key drivers of spending changes since last year

DWP's final DEL outturn in 2024-25 was £9,942m (£9,420m Resource DEL and £522m Capital DEL). The DEL Supplementary Estimate funding position for 2025-26 is £11,002m (£10,280m Resource DEL and £722m Capital DEL) an increase of £1,060m.

The main movements compared to the 2024-25 outturn, by funding category, are shown below. Changes compared with the Main Estimate are expanded on in

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[4] In all tables, change figures in brackets denote a decrease in costs.

[5] Figures may not sum due to rounding.

[6] Spending Review (SR) settlements apply only to DEL funding. AME budgets are set independently of the Spending Review and are therefore excluded from the SR comparative figures.

section 2.1.

- **Resource DEL –** Resource DEL funding has increased by £860m (9.1%) from £9,420m to £10,280m from 2024-25 outturn. The material changes include:

    - £280m (2.9%) increase in staff pay costs, including the impact of the 2025-26 consolidated pay award, and the impact of the increase in Employer National Insurance rates.

    - £127m (1.3%) increase in costs for the Get Britain Working Programme, a new initiative which aims to reduce economic inactivity. This activity includes Jobs and Careers Service and Youth and Inactivity Trailblazers.

    - £70m (0.7%) increase in Synergy programme costs as the programme has moved into the design and delivery phase.

    - £65m (0.7%) increase in Fraud, Error and Debt due to investment in DWP's Fighting Fraud in the Welfare System Plan.

- **Capital DEL –** Capital DEL funding has increased by £200m (38.3%) from £522m to £722m from 2024-25 outturn. The material changes include:

    - £121m (23%) increase in lease costs due to the timing of lease renewals for much of DWP's large estate.

- **Resource AME** – Total Resource AME outturn for 2024-25 was £287,701m. The Resource AME Supplementary Estimate for 2025-26 is £314,669m, which represents an increase of £26,968m (9.4%). The increase is partially driven by annual benefit uprating and a margin of £6,335m included in the Supplementary Estimate to mitigate the risk of actual expenditure being greater than forecast as benefit expenditure is demand-led. The material movements by area, including the margin, are:

    - £13,464m (9.4%) increase in pensioner benefits. This is mainly due to an increase in State Pension (contributory) of £10,951m (8.0%) and Winter Fuel Payment (WFP) of £1,671m (553.9%). The State Pension increase reflects the rise in the pensioner population and uprating of 4.1% in line with the Triple Lock. We have added a margin of £1,471m. The WFP increase reflects the change to the means-testing policy in 2025-26.

- £9,741m (13.1%) increase in Universal Credit (UC) and equivalent DWP benefits[7]. This is due to an increase in UC of £15,209m (22.9%) driven by the movement of cases to UC from equivalent DWP and His Majesty's Revenue and Customs (HMRC) legacy benefits, higher than forecast claims for the UC Health Element and benefit uprating in line with inflation. We have added a margin of £2,484m (3.1%). This has been offset by a decrease in Employment and Support Allowance (income-related) of £5,113m (71.3%), which is mainly due to the movement of cases to UC.

- £5,235m (11.5%) increase in disability and carer benefits. This is due to an increase in Personal Independence Payment of £3,107m (12.0%), Attendance Allowance of £936m (12.1%) and Disability Living Allowance of £714m (9.2%) caused mainly by rising caseloads and benefit uprating in line with inflation. We have included a margin of £920m (1.8%) across all disability and carer benefits.

- £2,294m (15.6%) reduction in Housing Benefit (HB). This is predominantly due to a 500,000 decrease in caseload caused by the movement of working age HB claimants to UC.

- **Capital AME** – Total Capital AME outturn for 2024-25 was £241m. The Capital AME Supplementary Estimate funding position for 2025-26 is £564m, which represents an increase of £323m (134.3%). The increase is partially driven by a margin of £142m included in the Supplementary Estimate to mitigate the risk of actual expenditure being greater than forecast. The material movements are:

  - £174m (65.1%) increase in UC Advances. Due to an increase in forecast of £98m (36.9%), resulting from more UC Advance claims being made by claimants migrating to UC from legacy benefits, and a margin of £75m.

  - £70m increase in Social Fund Net Lending. This is predominantly due to a margin of £57m added due to uncertainty in the forecast for both recoveries and loans paid out.

  - An increase in Other Expenditure of £63m (276.3%), relating to an increase in provisions associated with DWP Estates dilapidations.

1.6 Key drivers of change since the Spending Review

The levels of DEL funding for DWP for 2025-26 are based on plans published in phase 1 of SR25 at the Autumn Budget 2024, as well as additional funding agreed at the Spring Statement 2025 (including £25m for Fraud, Error and Debt for further

[7] Equivalent DWP benefits are Employment and Support Allowance (income-related), Income Support and Jobseeker's Allowance (income-related).

preventative checks on customer claims). No further reserve claims have been made in 2025-26.

Further details of funding changes since the Spending Review are set out in the Table at Annex C.

1.7 Reserve claims and spending pressures

There have been no requests made for funding from the reserve during 2025-26 as no further spending pressures have been identified.

1.8 Funding: other spending announcements

No major spending announcements have been made which have required reallocation of funding within these settlements.

During 2025-26 the government announced a Machinery of Government change which determined that the skills portfolio transfers to DWP from Department for Education (DfE). The budgetary changes will take effect from the 2026-27 Main Estimate. In 2025-26 DWP provided a contribution of £63m to DfE, through a Budget Cover Transfer, to help meet increased demand for Skills Bootcamps. In addition, HMT has agreed a budget exchange of £370m from 2025-26 to future years to support measures to address youth unemployment and inactivity through apprenticeships as announced at Autumn Budget 2025.

1.9 New policies and programmes; ambit changes

There have been no new policies and programmes or ambit changes since the Main Estimate.

1.10 Administration costs and efficiency plans

Table 2: Administration budgets

Amounts sought in Supplementary Estimate 2025-26		Changes compared to Main Estimate 2025-26		Changes compared to Outturn 2024-25		Changes compared to Spending Review 2025	
	£m	£m	%	£m	%	£m	%
Administration costs	1,266.8	(60.8)	(4.6)	261.9	26.1	(6.2)	(0.5)

Within DWP, DEL Administration relates to expenditure to maintain departmental infrastructure and provide necessary business services, including improvements to digital services for users and customers. Administration as a proportion of DWP's Supplementary Estimate 2025-26 Resource DEL is 12.3%.

DEL Administration funding has increased overall by £261.9m (26.1%) since 2024-25 outturn and decreased by £60.8m (4.6%) since Main Estimate 2025-26.

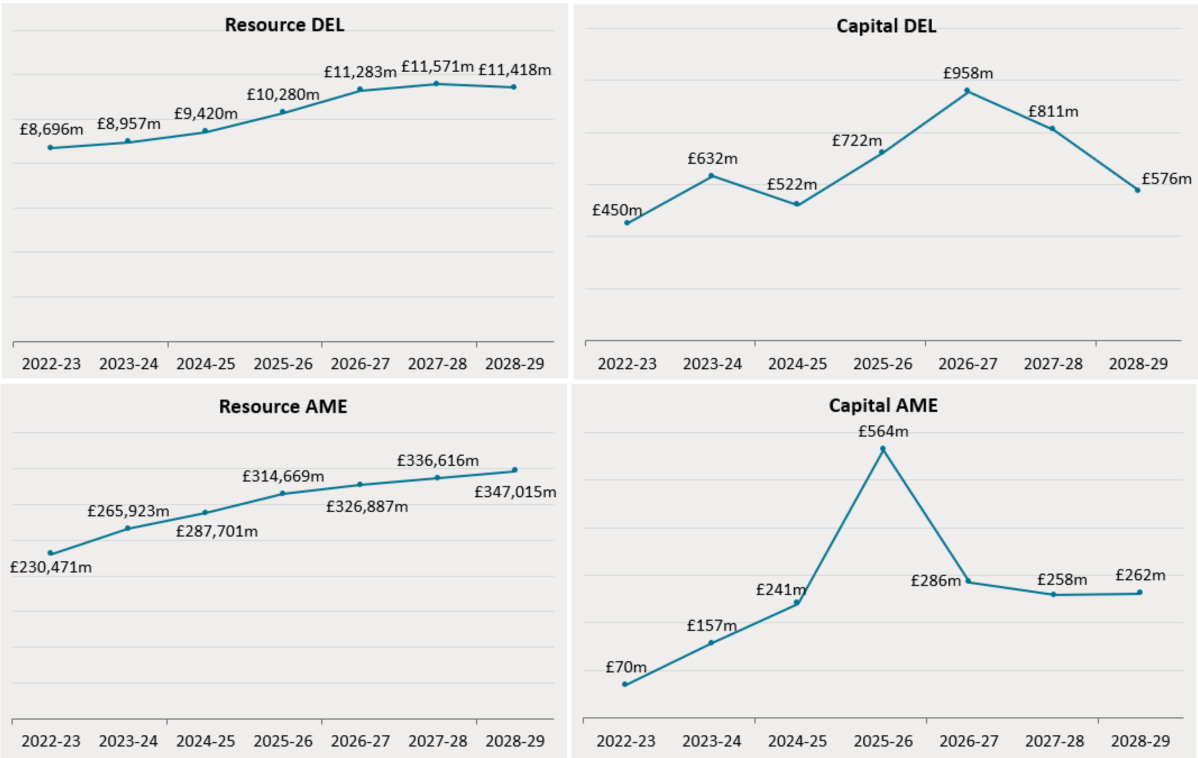
The increase of £261.9m compared to last year's outturn includes £38m of staff pay costs. This includes the impact of the 2025-26 consolidated pay award and the increase in Employer National Insurance rates. In addition, Synergy programme costs have increased by £70m, as the programme moves further into implementation.

DWP is taking action to reduce spend and achieve more with the same level of funding through our efficiency initiatives, working to meet the government's ambition to reduce administrative expenditure. Included in this are reductions in the costs for our outsourced provider supporting finance and HR activities, reduced reliance on digital contractors, and reductions in back-office functions through automation and enhanced self-service activity.

1.11 Spending trends

The charts below show overall spending trends for the last three years and the plans presented in the Supplementary Estimate for 2025-26[8].

Figure 6: Spending Trends



The key reasons for the movements over the medium term are set out below:

- **Resource DEL –** Resource DEL requirement in 2023-24 increased from 2022-23 as additional resources were made available to fund new work

[8] DEL funding for future years agreed in phase 2 of SR25, in June 2025.

programmes including Workforce Participation measures and increased demand for the Department's services due to the cost of living pressures. In 2024-25, expenditure continued to rise due to the Department accelerating the migration of Employment Support Allowance (ESA) claimants to UC, the impact of the Winter Fuel Payments announcement which has seen increased demand for DWP's services as applications for Pension Credit increase and the decision to continue with the Household Support Fund. Spending in UC for the Targeted Case Review has increased as it has been successful in tackling fraud arising from the pandemic. The latest Office for Budget Responsibility (OBR) forecast shows the UC monetary value of fraud and error at 7.5% by 2028-29. This would be well below pre-pandemic levels and represent a halving of the 14.7% rate in 2021-22. Access to Work has seen an increase in demand, primarily for support workers. 2025-26 reflects a continuing upward trend in expenditure as DWP delivers Get Britain Working, accommodates additional pay related spend and takes forward the Synergy programme. In 2026-27 additional investment is planned for Employment support for inactive groups through delivery of the Connect to Work programme, implementation of the Youth Guarantee and further investment in DWP's detect and prevent fraud and error capability. Resource DEL costs increase further from 2027-28 onwards due to additional funding agreed through the 2025 Spending Review for Employment Support and the Youth Guarantee, as well as the impact of cost inflation, offset by increased efficiencies. The requirement reduces in 2028-29 as further efficiencies are delivered.

- **Capital DEL –** DWP's Capital DEL expenditure is predominantly non-recurrent investment within Digital and Estates costs, with some costs in financial transactions (Funeral Expense Payments and loans to Public Corporations). Capital DEL expenditure has increased since 2022-23 predominantly due to the timing of lease renewals on DWP's large estate. The value and volume of lease renewals reduce from 2027-28 which results in a reduction in expected Capital DEL expenditure.

- **Resource AME** – Benefit expenditure has increased since 2022-23 due to uprating (the annual increase in most benefits) and rising caseloads (reflecting a growing and ageing population). The largest element of the increase across most years is the State Pension. This has the largest number of claimants and has increased by the highest of earnings growth, inflation or 2.5% in line with the government's "triple lock".

- **Capital AME** – Capital AME expenditure has been on an upward trend since 2022-23, primarily driven by UC Advances, reflecting the increasing UC caseload. A reduction in expenditure is expected from 2026-27 due to a higher value of recoveries for UC Advances.

2. Spending detail

This section provides details on the following:

- Changes to DEL and AME funding from the Main Estimate 2025-26 (section 2.1)
- Ringfenced funding movements compared to the Main Estimate 2025-26 and outturn 2024-25 (section 2.2)
- Changes to contingent liabilities since the Main Estimate 2025-26 (section 2.3)

2.1 Explanations of changes in spending

Resource DEL

The table below shows how DWP's spending plans for Resource DEL at the Supplementary Estimate 2025-26 compare with the Main Estimate 2025-26.

Table 3: Resource DEL[9]

Resource DEL					
Subhead	Description	Supplementary Estimate 2025-26	Main Estimate 2025-26	Changes compared to Main Estimate 2025-26	
		£m	£m	£m	%
	- Core department (including NIF)	*7,969.7*	*8,283.3*	*(313.6)*	*(3.8)*
	- NIF administration costs adjustment	*(461.5)*	*(516.0)*	*54.4*	*10.6*
A	Core Department	7,508.2	7,767.4	(259.2)	(3.3)
B	Health and Safety Executive (Net)	174.9	179.2	(4.3)	(2.4)
C	Money and Pensions Service (Net)	208.1	210.4	(2.4)	(1.1)
D	Other Arm's Length Bodies (Net)	136.3	133.4	2.9	2.2
E	Employment Programmes	710.2	789.9	(79.8)	(10.1)
F	Support for Local Authorities	205.7	202.9	2.8	1.4
G	Funding for Public Corporations	(24.2)	(8.3)	(16.0)	(192.7)
H	Other Benefits	876.5	864.0	12.5	1.4
I	National Insurance Fund - Core Department	461.5	516.0	(54.4)	(10.6)
J	Social Fund	23.2	22.3	0.9	3.9
	Total voted and non-voted	**10,280.2**	**10,677.2**	**(397.0)**	**(3.7)**

The major differences are explained below. These are referenced to the relevant Subhead in the table above:

E. Employment Programmes

The decrease is driven by a lower than anticipated increase in Access to Work spend and a slower increase in Connect to Work activity as it is rolled out in local areas and more accurate cost forecasts for Get Britain Working now that the programme has moved into delivery.

[9] Figures may not sum due to rounding

G. Funding for Public Corporations

The main driver for the change since Main Estimate is the change in income from NEST because of a higher rate of interest being paid.

I. National Insurance Fund

The costs of administering contributory benefits, funded from the NIF. The decrease since Main Estimate is due to reduced NIF activities and revised methodology.

Capital DEL

The table below shows how spending plans for Capital DEL compare with the Main Estimate 2025-26.

Table 4: Capital DEL[10]

Capital DEL					
Subhead	Description	Supplementary Estimate 2025-26	Main Estimate 2025-26	Changes compared to Main Estimate 2025-26	
		£m	£m	£m	%
A	Core Department	644.5	677.6	(33.1)	(4.9)
B	Health and Safety Executive (Net)	17.3	13.0	4.4	33.7
C	Money and Pensions Service (Net)	10.0	14.9	(4.8)	(32.4)
D	Other Arm's Length Bodies (Net)	0.7	1.3	(0.6)	(44.7)
E	Employment Programmes	0.0	0.0	0.0	0.0
F	Support for Local Authorities	0.0	0.0	0.0	0.0
G	Funding for Public Corporations	0.0	0.0	0.0	0.0
H	Other Benefits	0.0	0.0	0.0	0.0
I	National Insurance Fund - Core Department	0.0	0.0	0.0	0.0
J	Social Fund	49.5	49.5	0.0	0.0
	Total voted and non-voted	**722.1**	**756.3**	**(34.2)**	**(4.5)**

Capital DEL funding has decreased by £34.2m (4.5%) since Main Estimate. There are no material variances to report.

Resource AME

AME is primarily a demand-led expenditure on social security and social assistance benefits. These cover a range of life events such as being out of work, retirement, disability, maternity and bereavement.

About half of DWP's Resource AME is spent on contributory benefits, mainly State Pension, where entitlement is based on National Insurance contributions. About a third of DWP's Resource AME is spent on income-related benefits, where entitlement depends on a recipient's other income and capital. Examples include UC and Pension Credit.

[10] Figures may not sum due to rounding

The remainder of the Resource AME benefit expenditure is spent on non-contributory, non-income-related disability benefits including Disability Living Allowance (DLA), Personal Independence Payment (PIP) and Attendance Allowance (AA).

Additional details of individual benefits and eligibility requirements can be found on the gov.uk website.

In addition to benefit expenditure, Resource AME also includes non-cash expenditure relating to the accounting treatment of impairments[11] and provisions[12].

The forecasts used for Supplementary Estimate are aligned to the OBR's Autumn Budget 2025 forecast. These forecasts are a central estimate and reflect the economic assumptions provided to DWP by OBR as well as the latest administrative data in relation to volume of claims and average awards. However, as benefit expenditure is demand-led, we have included a margin at the Supplementary Estimate to mitigate the risk of actual expenditure being greater than forecast.

The following summary table shows spending by broad benefit categories.

Table 5: Resource AME [13]

Subheads	Description	Main Estimate 2025-26	Supplementary Estimate 2024-25	Changes compared to Supplementary Estimate 2024-25	
		£m	£m	£m	%
K, AF, N, AH	Incapacity benefits	7,409.8	7,702.5	(292.7)	(3.8)
R, S, T, U	Disability and carer benefits	50,860.9	49,311.0	1,549.9	3.1
M, N, O, Y	Universal Credit and equivalent DWP benefits	83,827.0	78,671.7	5,155.3	6.6
P, Q, Z, AE, AK, AM	Pensioner benefits	156,652.7	152,190.8	4,461.8	2.9
V	Housing Benefit	12,383.6	11,551.7	831.9	7.2
L, W, X, AG, AI, AJ, AL, AA	Other benefits	5,621.9	5,025.8	596.0	11.9
AB	Cost of Living Payments	(18.8)	5.4	(24.1)	(450.7)
AC, AD	Other expenditure	(12.0)	(0.2)	(11.8)	6,768.6
N	Less adjustment for ESA (income-related)	(2,056.4)	(2,678.8)	622.4	23.2
	Total voted and non-voted	**314,668.6**	**301,780.0**	**12,888.6**	**4.3**

Funding for Resource AME expenditure has increased by £12,889m (4.3%) to £314,669m from Main Estimate to Supplementary Estimate.

Incapacity Benefits[14]

Funding has decreased by £293m (3.8%) since Main Estimate. There are two key movements contributing to this change.

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[11] An impairment is a reduction in the value of debt to reflect the amount (of a debt) expected to be recovered in future.

[12] A provision is an in-year expense to recognise a liability that exists but for which the exact timing and amount will be settled in the future.

[13] Totals may not sum due to income-related ESA being included in incapacity benefits and in UC and equivalent benefits and rounding. ESA supports people with a disability or health condition that affects how much they can work and income-related ESA also forms part of the benefits we pay to support people with their living costs. This means that expenditure on this benefit features in both categories.

[14] Excluding UC spending estimated to be ESA equivalent.

Employment and Support Allowance (income-related) (ESA IR) has decreased by £622m (23.2%). A reduction in forecast of £720m (26.9%) is driven by an accelerated movement of cases from ESA IR to UC. This is partially offset by a £97m (5.0%) margin.

Employment and Support Allowance (contributory) (ESA C) has increased by £328m (6.6%). An increase in forecast of £124m (2.5%) is driven by a greater number of cases, than forecast in the Main Estimate, claiming both ESA IR and ESA C, retaining the contributory element when the income related element is migrated to UC. We have added a margin of £204m (4.0%).

Disability and carer benefits

Funding has increased by £1,550m (3.1%) since Main Estimate. Material variances arise from three key movements.

PIP has increased by £486m (1.7%). An increase in forecast of £118m (0.4%) is driven by fewer anticipated exits and higher average awards. We have added a margin of £368m (1.3%).

DLA has increased by £419m (5.2%). An increase in forecast of £173m (2.2%) is driven by increased child new claims and higher average awards. We have added a margin of £246m (3.0%).

AA has increased by £396m (4.8%). An increase in forecast of £226m (2.7%) is due to new claims demand remaining high, which is increasing the caseload. We have added a margin of £170m (2.0%).

Universal Credit and equivalent DWP benefits[15]

Funding has increased by £5,155m (6.6%) since Main Estimate mainly driven by two key movements.

UC has increased by £5,762m (7.6%). An increase in forecast of £3,278m (4.3%) is predominately driven by higher than forecast claims for the UC Health Element. We have added a margin of £2,484m (3.1%).

ESA IR has decreased by £622m (23.2%). A reduction in forecast of £720m (26.9%) is driven by an accelerated move from ESA IR to UC. This is partially offset by a £97.2m (5.0%) margin..

Pensioner benefits[16]

Funding has increased by £4,462m (2.9%) since Main Estimate. There are four key movements contributing to this change.

State Pension (contributory) has increased by £1,904m (1.3%). An increase in forecast of £433m (0.3%) is predominately driven by new data suggesting that

[15] Excluding Housing Benefit for people of working age.

[16] Excluding Housing Benefit for people over pension age and other benefits paid to both pensioners and non-pensioners, such as Bereavement Benefits.

caseload and average awards are higher than anticipated. We have added a margin of £1,471m (1.0%).

Winter Fuel Payment (WFP) has increased by £1,657m (525.0%). An increase in forecast of £1,600m (506.8%) is driven by the change to the mean-testing policy for Winter Fuel Payments. We have added a margin of £57m (3.0%).

Pension Credit has increased by £408m (6.9%). The increase in forecast of £225m (3.8%) is predominately driven by higher on-flows than anticipated, partially offset by a reduction in average awards. We have added a margin of £183m (3.0%).

Financial Assistance Scheme (FAS) has increased by £461m (260.8%) due to the policy announcement at Autumn Budget 2025 to uprate FAS payments, relating to benefits accrued prior to 1997, in line with inflation.

Housing Benefit

Funding has increased by £832m (7.2%) since Main Estimate. An increase in forecast of £530m (4.6%) is driven by increases in rents and higher pension credit receipts amongst HB claimants driving higher awards. We have added a margin of £302m (2.5%).

Other benefits

Funding has increased by £596m (11.9%) since Main Estimate. This change is mainly driven by two key movements.

Social Fund: Other has increased by £440m (510.0%). Whilst the Autumn Budget forecast is broadly in-line with the Main Estimate, the Supplementary Estimate includes a margin of £433m (464.8%) to take account of the uncertainty of Cold Weather Payments (CWP), which are weather dependent.

Statutory Maternity Pay (SMP) has increased by £115m (3.6%). Government Actuary Department (GAD) set out the agreed 2025-26 SMP payment in December 2024, we have added a margin of £115m (3.6%) to account for uncertainty in the annual adjustment payment.

Capital AME

Table 6: Capital AME [17]

Subheads	Description	Main Estimate 2025-26	Supplementary Estimate 2024-25	Changes compared to Supplementary Estimate 2024-25	
		£m	£m	£m	%
M	Universal Credit Advances	440.1	461.5	(21.4)	(4.6)
AA	Support for Mortgage Interest loans	63.6	70.7	(7.1)	(10.0)
AC	Other Expenditure	40.1	45.3	(5.2)	(11.5)
AG	Social Fund Net Lending	20.0	(59.6)	79.6	133.6
	Total voted and non-voted	**563.9**	**518.0**	**46.0**	**8.9**

[17] Figures may not sum due to rounding.

Funding for Capital AME expenditure has increased by £46m (8.9%) to £564m from Main Estimate to Supplementary Estimate.

Universal Credit

UC Advances funding has decreased by £21m (4.6%). A reduction in forecast of £97m (20.9%) is driven by a reduction in the volume of expected payments due to lower UC advances take-up. This is partially offset by a £75m (20.6%) margin.

Social Fund Net Lending

Social Fund Net Lending forecast has increased by £80m (133.6%). As more claimants move to UC this reduces the priority order of Social Fund loan recoveries. We have included a margin in the Supplementary Estimate to ensure sufficient funding to cover demand for new loans if required.

2.2 Ring fenced budgets

Elements of DWP's DEL funding are ring fenced. Funding that is ring fenced cannot be used to fund spending outside the ring fence, although the ring fenced funding is part of the overall DEL control totals.

The table below sets out the components of DWP's ring fenced budget for Supplementary Estimate 2025-26, compared to Main Estimate 2025-26 and outturn 2024-25.

Table 7: Ring fenced budgets [18]

Ring fenced budgets Amount sought this year Supplementary Estimate 2025-26		Difference (+/-) compared to Original budget this year Main Estimate 2025-26		Difference (+/-) compared to Final budget last year Outturn 2024-25	
	£m	£m	%	£m	%
Resource DEL					
Depreciation	498.0	49.9	11.1	83.8	20.2
Money & Pensions Service	170.1	0.0	-	28.4	20.0
Synergy	152.0	0.0	-	78.3	106.2
Official Development Assistance	9.0	0.0	-	(1.0)	(10.0)
Discretionary Housing Payments	0.0	0.0	-	(100.0)	(100.0)
Money & Pensions Service: Debt Advice	15.0	0.0	-	(2.1)	(12.3)
Household Support Fund	0.0	0.0	-	(842.0)	(100.0)
Connect to Work	0.0	0.0	-	(70.7)	(100.0)
Increase AET from 15 to 18 hours	0.0	0.0	-	(36.2)	(100.0)
Labour Market Evaluation Pilots: Jobs Plus	0.0	0.0	-	(2.1)	(100.0)
Labour Market Evaluation Pilots: Rent Support	0.0	0.0	-	(2.3)	(100.0)
Total Resource DEL	**844.1**	**49.9**	**6.3**	**(865.9)**	**(50.6)**
Capital DEL					
Financial Transactions:					
- Fraud Compensation Fund	66.3	(20.0)	(23.2)	(0.6)	(0.9)
- Funeral Expense Payments	49.5	0.0	-	(7.5)	(13.2)
HSE Research & Development	4.8	0.0	-	4.8	-
Research & Development	13.0	0.0	-	8.0	160.0
Money & Pensions Service	11.1	0.0	-	10.4	1,485.7
WPT Large Project Budget Exchange	0.0	0.0	-	(11.4)	(100.0)
Total Capital DEL	**144.7**	**(20.0)**	**(23.2)**	**3.7**	**1,531.7**
Total DEL Ringfence	**988.8**	**29.9**	**3.1**	**(862.2)**	**(46.6)**

2.3 Changes to contingent liabilities

The following contingent liabilities have been added to the Supplementary Estimate 2025-26. These are contingent liabilities that were not known at the time of the Main Estimate 2025-26 which was completed before the 2024-25 outturn was finalised.

Employment Programmes - Access to Work (AtW)

This addresses the potential liability in 2024-25 for new AtW applications that had been received but were awaiting processing at the end of March 2025.

Occupational Health and Employee Assistance Arrangements

As of 31 March 2025, the Department has a liability resulting from challenges to the award of contracts for these services.

The following contingent liability recognised at Main Estimate 2025-26 has been removed from the Supplementary Estimate:

Document and Data Management Services (DDMS) Indemnity

The transition of the DDMS contract has now been successfully completed and the associated contingent liability is no longer required.

[18] Figures may not sum due to rounding.

3 Priorities and performance

3.1 How spending relates to objectives

The table below shows how expenditure against each Subhead contributes to DWP's Goals.

Table 8: Linking Subhead sections to Departmental Goals:

Subhead		Enable people to get into work and to get on at work, ensuring employment opportunity for all	Tackle child poverty and hardship, ensuring financial security for all	Shape the pensions system to serve the interests of savers and pensioners, ensuring decent, secure retirement incomes for all	Pursue a just, equal and inclusive society, ensuring independence and control for all disabled people	Deliver high quality efficient services, ensuring that people are treated with dignity and respect
A	Core Department	✓	✓	✓	✓	✓
B	Health and Safety Executive (Net)					✓
C	Money and Pensions Service (Net)		✓	✓		✓
D	Other Executive Arm's Length Bodies			✓		✓
E	Employment Programmes	✓			✓	✓
F	Support for Local Authorities		✓			✓
G	Funding for Public Corporations			✓		✓
H	Other Benefits		✓		✓	✓
I	National Insurance Fund – Core Department	✓	✓	✓	✓	✓
J	Social Fund		✓			✓

3.2 Measures of performance against each priority outcome

DWP has set out the following measures of performance for each core objective for 2025-26:

1. Enable people to get into work and to get on at work, ensuring employment opportunity for all:

    - UK employment rate for 18-66
    - Percentage of young people (18-24) not engaged in education, employment or training (NEET)
    - Long term sick inactive as percentage of all 18-66

2. Tackle child poverty and hardship, ensuring financial security for all:

    - Percentage of children in relative poverty after housing costs
    - Percentage of working age adults in relative poverty, after housing costs
    - Real Household Disposable Income for working households

3. Shape the pensions system to serve the interests of savers and pensioners, ensuring decent, secure retirement incomes for all:

    - Relative low-income rate, after housing costs, for pensioners (UK)
    - Pensioner Income Levels

4. Pursue a just, equal and inclusive society, ensuring independence and control for all disabled people:

    - Relative low-income rate, after housing costs, for individuals in families where someone is disabled (UK)
    - Disability employment rate and rate gap to non-disabled employment rate

5. Deliver high quality efficient services, ensuring that people are treated with dignity and respect:

    - Monetary Value of Fraud and Error (overpayment/ underpayment by rate and value)
    - Overall Customer Satisfaction with DWP services

3.3 Major Projects

DWP has the following projects on the Government Major Projects Portfolio (GMPP):

Health Transformation Programme: The Health Transformation Programme will transform the health and disability services we provide for people with disabilities and health conditions; looking at opportunities to re-shape assessment services and deliver improvements.

Pensions Dashboard Programme: Established by the Money and Pensions Service, an arms-length body of DWP. The programme's vision is: "To enable individuals to access their pensions information online, securely and all in one place, thereby supporting better planning for retirement and growing financial wellbeing." The programme is working closely with the pensions industry to deliver a dashboards service in the UK.

Synergy: Synergy is a business transformation programme to replace the current services provided by Shared Services Connected Limited. It focuses on simplifying and aligning processes, data systems and services, to transform our users' experiences and drive interoperability between departments, provided through a single Software as a Service (SaaS) Enterprise Resource Planning platform. DWP, the Department for Environment, Food and Rural Affairs, Home Office and Ministry of Justice have committed to working as a single cluster with departments responsible for their departmental transformations.

Workplace Transformation: Workplace Transformation is a 10-year programme to support the change to DWP's operating model, consolidate the estate to the right size and shape and provide more flexible, efficient and better-quality sustainable buildings. Workplace Transformation requires significant capital investment but will deliver financial and social benefits by consolidating and improving our workplace with a direct positive impact on customer experience and outcomes.

Service Modernisation: Service Modernisation is a cross-cutting change programme that supports DWP's policy and delivery aims by modernising key services, investing in our colleagues and continuous transformation, and – through that - delivers better, cost-effective services that our customers can rely on. The programme will transform 11 service lines, impacting over 20,000 colleagues and deliver cultural and digital transformation to create modern services for the future.

Connect to Work: The Connect to Work Programme will deliver, through grant funding to Local Authorities, a national voluntary programme focused on helping disabled people, people with health conditions and people with additional barriers to employment into sustained work. Once fully rolled out across England and Wales, the Programme is expected to support up to 100,000 people per year to enter or remain within sustained employment. It will do this by providing locally based employment specialists, offering intensive/ personalised support based on proven Supported Employment models.

Funding for implementation of these projects, is provided under Subhead A - Core Department, except for the Pensions Dashboard Programme, which is provided under Subhead C - Money and Pensions Service (Net).

The National Infrastructure and Service Transformation Authority reports on the delivery of major projects annually. The latest published report on DWP's projects reflects data to March 2025 and can be found here NISTA Annual Report 2024-2025 - GOV.UK.

4 Other Information

4.1 Research and Development Expenditure

In contrast to the spending outlined in previous sections, Research and Development (R&D) expenditure does not represent a firm spending commitment as part of the estimates process. There has been an increase in spending classified as R&D following a departmental review to support central reporting through the Central Analysis and Science Directorate.

Table 9: Research and Development Expenditure

Amount sought this year Supplementary Estimate 2025-26		Difference (+/-) Main Estimate 2025-26			Difference (+/-) Outturn 2024-25			Difference (+/-) Spending Review 2025		
	£m	£m	£m	%	£m	£m	%	£m	£m	%
Research & Development	17.8	17.8	0	0	12.8	5	39.1	17.8	0	0

5 Accounting Officer Approval

This Memorandum has been prepared according to the requirements and guidance set out by the House of Commons Scrutiny Unit, available on the Scrutiny Unit website.

The information in this Estimates Memorandum has been approved by me as Departmental Accounting Officer.

Peter Schofield

Accounting Officer

Permanent Secretary

Department for Work and Pensions

9th February 2026

Annex A: Departmental Expenditure Limits[19]

		Resource DEL				Capital DEL			
Subhead	Description	Supplementary Estimate 2025-26	Main Estimate 2025-26	Changes compared to Main Estimate 2025-26		Supplementary Estimate 2025-26	Main Estimate 2025-26	Changes compared to Supplementary Estimate 2025-26	
		£m	£m	£m	%	£m	£m	£m	%
A	Core Department	7,508.2	7,767.4	(259.2)	(3.3)	644.5	677.6	(33.1)	(4.9)
B	Health and Safety Executive (Net)	174.9	179.2	(4.3)	(2.4)	17.3	13.0	4.4	33.7
C	Money and Pensions Service (Net)	208.1	210.4	(2.4)	(1.1)	10.0	14.9	(4.8)	(32.4)
D	Other Arm's Length Bodies (Net)	136.3	133.4	2.9	2.2	0.7	1.3	(0.6)	(44.7)
E	Employment Programmes	710.2	789.9	(79.8)	(10.1)	0.0	0.0	0.0	-
F	Support for Local Authorities	205.7	202.9	2.8	1.4	0.0	0.0	0.0	-
G	Funding for Public Corporations	(24.2)	(8.3)	(16.0)	(192.7)	0.0	0.0	0.0	-
H	Other Benefits	876.5	864.0	12.5	1.4	0.0	0.0	0.0	-
I	National Insurance Fund - Core Department	461.5	516.0	(54.4)	(10.6)	0.0	0.0	0.0	-
J	Social Fund	23.2	22.3	0.9	3.9	49.5	49.5	0.0	0.0
	Total	**10,280.2**	**10,677.2**	**(397.0)**	**(3.7)**	**722.1**	**756.3**	**(34.2)**	**(4.5)**

[19] Figures may not sum due to rounding.

Annex B (i): Annually Managed Expenditure (excluding margins) [20]

Subhead	Description		Supplementary Estimate 2025-26	Main Estimate 2025-26	Changes compared to Main Estimate 2025-26	
			£m	£m	£m	%
Resource						
K, AF, N, AH	**Incapacity benefits**	Severe Disablement Benefit	47.0	48.6	(1.6)	(3.4)
		Incapacity Benefit	1.6	(0.3)	1.8	(682.5)
		Employment and Support Allowance (income-related)	1,959.2	2,678.8	(719.6)	(26.9)
		Employment and Support Allowance (contributory)	5,099.6	4,975.3	124.3	2.5
			7,107.3	**7,702.5**	**(595.2)**	**(7.7)**
R, S, T, U	**Disability and carer benefits**	Attendance Allowance	8,533.1	8,306.8	226.3	2.7
		Personal Independence Payment	28,636.9	28,518.6	118.3	0.4
		Disability Living Allowance	8,190.1	8,016.9	173.2	2.2
		Carer's Allowance	4,581.1	4,468.6	112.5	2.5
			49,941.2	**49,311.0**	**630.2**	**1.3**
M, N, O, Y	**Universal Credit and equivalent DWP benefits**	Universal Credit	79,270.2	75,992.6	3,277.6	4.3
		Employment and Support Allowance (income-related)	1,959.2	2,678.8	(719.6)	(26.9)
		Income Support	12.6	0.0	12.5	26,060.4
		Jobseeker's Allowance (income-related)	1.2	0.3	0.9	370.8
			81,243.2	**78,671.7**	**2,571.5**	**3.3**
P, Q, Z, AE, AK, AM	**Pensioner benefits**	Pension Credit	6,172.8	5,948.2	224.6	3.8
		Financial Assistance Scheme	638.2	176.9	461.3	260.83
		Winter Fuel Payments	1,915.2	315.6	1,599.6	506.8
		Christmas Bonus (contributory)	131.9	132.2	(0.3)	(0.2)
		State Pension (contributory)	145,837.1	145,403.7	433.4	0.3
		State Pension (non-contributory)	234.6	214.3	20.3	9.5
			154,929.8	**152,190.8**	**2,739.0**	**1.8**
V	**Housing Benefit**	Housing Benefit	**12,081.5**	**11,551.7**	**529.8**	**4.6**
L, W, X, AG, AI, AJ, AL, AA	**Other benefits**	Industrial Injuries Benefits Scheme	735.1	737.2	(2.1)	(0.3)
		Statutory Maternity Pay	3,167.0	3,167.0	0.0	0.0
		Christmas Bonus (non-contributory)	53.9	53.0	0.8	1.6
		Social Fund: Other	93.2	86.3	6.9	8.0
		Maternity Allowance	379.5	423.6	(44.1)	(10.4)
		Bereavement Benefits	304.7	311.0	(6.3)	(2.0)
		Jobseeker's Allowance (contributory)	279.8	248.7	31.1	12.5
		Support for Mortgage Interest loans	7.6	(1.1)	8.7	(788.2)
			5,020.8	**5,025.8**	**(5.1)**	**(0.1)**
AB	**Cost of Living Payments**	Cost of Living Payments	(18.8)	5.4	(24.1)	(450.7)
AC, AD	**Other expenditure**	Other Expenditure	(12.0)	(0.2)	(11.8)	261
			(12.0)	**(0.2)**	**(11.8)**	**6769**
N	Less adjustment for	Employment and Support Allowance (income-related)	(1,959.2)	(2,678.8)	719.6	26.9
	Total RAME		**308,333.9**	**301,780.0**	**6,553.9**	**2.2**
Capital						
M, AA, AC, AG	**AME Capital**	Universal Credit Advances	365.0	461.5	(96.6)	(20.9)
		Support for Mortgage Interest loans	58.0	70.7	(12.7)	(18.0)
		Other Expenditure	36.5	45.3	(8.9)	(19.6)
		Social Fund Net Lending	(37.3)	(59.6)	22.3	(37.4)
	Total CAME		**422.1**	**518.0**	**(95.8)**	**(18.5)**

[20] Figures may not sum due to rounding.

Annex B (ii): Annually Managed Expenditure (including margins) [21]

Subhead	Description		Supplementary Estimate 2025-26	Main Estimate 2025-26	Changes compared to Main Estimate 2025-26	
			£m	£m	£m	%
Resource						
K, AF, N, AH	**Incapacity benefits**	Severe Disablement Benefit	48.4	48.6	(0.2)	(0.5)
		Incapacity Benefit	1.8	(0.3)	2.0	(175.0)
		Employment and Support Allowance (income-related)	2,056.4	2,678.8	(622.4)	(23.2)
		Employment and Support Allowance (contributory)	5,303.3	4,975.3	328.0	6.6
			7,409.8	**7,702.5**	**(292.7)**	**(3.8)**
R, S, T, U	**Disability and carer benefits**	Attendance Allowance	8,702.7	8,306.8	395.9	4.8
		Personal Independence Payment	29,004.5	28,518.6	485.8	1.7
		Disability Living Allowance	8,436.4	8,016.9	419.4	5.2
		Carer's Allowance	4,717.3	4,468.6	248.7	5.6
			50,860.9	**49,311.0**	**1,549.9**	**3.1**
M, N, O, Y	**Universal Credit and equivalent DWP benefits**	Universal Credit	81,754.2	75,992.6	5,761.6	7.6
		Employment and Support Allowance (income-related)	2,056.4	2,678.8	(622.4)	(23.2)
		Income Support	15.2	0.0	15.2	31,643.8
		Jobseeker's Allowance (income-related)	1.2	0.3	0.9	374.4
			83,827.0	**78,671.7**	**5,155.3**	**6.6**
P, Q, Z, AE, AK, AM	**Pensioner benefits**	Pension Credit	6,355.7	5,948.2	407.5	6.9
		Financial Assistance Scheme	638.2	176.9	461.3	260.8
		Winter Fuel Payments	1,972.6	315.6	1,657.0	525.0
		Christmas Bonus (contributory)	134.5	132.2	2.3	1.8
		State Pension (contributory)	147,307.7	145,403.7	1,904.0	1.3
		State Pension (non-contributory)	244.0	214.3	29.7	13.9
			156,652.7	**152,190.8**	**4,461.8**	**2.9**
V	**Housing Benefit**	Housing Benefit	**12,383.6**	**11,551.7**	**831.9**	**7.2**
L, W, X, AG, AI, AJ, AL, AA	**Other benefits**	Industrial Injuries Benefits Scheme	749.7	737.2	12.5	1.7
		Statutory Maternity Pay	3,282.0	3,167.0	115.0	3.6
		Christmas Bonus (non-contributory)	56.6	53.0	3.5	6.6
		Social Fund: Other	526.3	86.3	440.0	510.0
		Maternity Allowance	383.3	423.6	(40.4)	(9.5)
		Bereavement Benefits	307.7	311.0	(3.3)	(1.1)
		Jobseeker's Allowance (contributory)	307.8	248.7	59.0	23.7
		Support for Mortgage Interest loans	8.5	(1.1)	9.6	(870.4)
			5,621.9	**5,025.8**	**596.0**	**11.9**
AB	**Cost of Living Payments**	Cost of Living Payments	(18.8)	5.4	(24.1)	(450.7)
AC, AD	**Other expenditure**	Other Expenditure	(12.0)	(0.2)	(11.8)	6,768.6
			(12.0)	**(0.2)**	**(11.8)**	**6,768.6**
N	Less adjustment for	Employment and Support Allowance (income-related)	(2,056.4)	(2,678.8)	622.4	23.2
	Total RAME		**314,668.6**	**301,780.0**	**12,888.6**	**4.3**
Capital						
M, AA, AC, AG	**AME Capital**	Universal Credit Advances	440.1	461.5	(21.4)	(4.6)
		Support for Mortgage Interest loans	63.6	70.7	(7.1)	(10.0)
		Other Expenditure	40.1	45.3	(5.2)	(11.5)
		Social Fund Net Lending	20.0	(59.6)	79.6	(133.6)
	Total CAME		**563.9**	**518.0**	**45.9**	**8.9**

[21] Figures may not sum due to rounding.

Annex C: Summary of changes to DEL funding since the Spending Review [22]

Description	Administration £m	Programme £m	Total Resource £m	Capital £m
Spending Review 2025 funding for 2025-26	1,283.0	8,879.6	10,162.6	731.0
Funding agreed at Fiscal events for 2025-26	0.9	79.1	80.0	0.0
Other funding changes agreed at Main Estimate 2025-26	43.7	390.8	434.5	25.3
Funding at Main Estimate 2025-26	**1,327.6**	**9,349.5**	**10,677.2**	**756.3**
Budget Exchanges				
CDEL budget exchange to 2026-27	0.0	0.0	0.0	(15.0)
Fraud Compensation Fund budget exchange to 2026-27	0.0	0.0	0.0	(20.0)
Additional budget exchange for Skills	0.0	(370.0)	(370.0)	0.0
Funding Switches				
DEL Administration to DEL Programme switch	(62.0)	62.0	0.0	0.0
Depreciation adjustment	0.0	50.0	50.0	0.0
Miscellaneous Funding Adjustments				
Cash forecasting rebate	1.6	0.0	1.6	0.0
Transfers to/from Other Government Departments				
Transfer from DHSC for WorkWell Primary Care Innovation Fund	0.0	0.2	0.2	0.0
Transfer from Cabinet Office for Integrated Security Fund	0.0	0.5	0.5	0.0
Transfer from Cabinet Office for Mission Communications	0.0	5.2	5.2	0.0
Transfer from MHCLG for Building Safety Regulator	0.0	13.8	13.8	0.2
Transfer from MoJ for MaPS debt advice pilot expansion	0.0	0.3	0.3	0.0
Transfer to Cabinet Office for Special Advisors costs	(0.1)	0.0	(0.1)	0.0
Transfer to Cabinet Office for Licence costs for the Public Appointments Digital Service.	(0.0)	0.0	(0.0)	0.0
Transfer to MoJ for joint policy development scheme	(0.3)	0.0	(0.3)	0.0
Transfer to Department for Business and Trade for funding of Insolvency Service API for Debt Relief Orders	0.0	(0.4)	(0.4)	(0.4)
Transfer to DFE Skills Bootcamps	0.0	(63.0)	(63.0)	0.0
Transfer to DHSC for Workwell and Emplyment Advisors	0.0	(23.3)	(23.3)	0.0
Transfer to DHSC for Individual Personal Support (Drugs & Alcohol)	0.0	(5.4)	(5.4)	0.0
Transfer to HMRC for UC Programme delivery	0.0	(1.0)	(1.0)	1.0
Transfer to Welsh Government for Economic Inactivity Trailblazers	0.0	(4.2)	(4.2)	0.0
Transfer to Welsh Government for Individual Placement Support in Primary Care	0.0	(0.8)	(0.8)	0.0
2025-26 Supplementary Estimate total	**1,266.8**	**9,013.4**	**10,280.2**	**722.1**

[22] Figures may not sum due to rounding.

Annex D: Caseloads by benefit [23]

Caseloads by benefit (thousands) Autumn Budget 2025				
Description	Autumn Budget 2025	Spring Statement 2025	Change from Spring Statement 2025	
	000s			%
Armed Forces Independence Payment	2	2	0	0.0
Attendance Allowance	1,769	1,719	50	2.9
Bereavement Benefits	72	69	3	4.3
Carer's Allowance	1,399	1,365	34	2.5
Christmas Bonus	18,575	18,521	54	0.3
- of which contributory	13,188	13,217	(29)	(0.2)
- of which non-contributory	5,387	5,304	83	1.6
Disability Living Allowance	1,314	1,304	10	0.8
Employment and Support Allowance	952	1,010	(58)	(5.7)
- of which contributory only	644	616	28	4.5
- of which contributory and income-based	83	101	(18)	(17.8)
- of which income-based only	147	208	(61)	(29.3)
- of which credits only	78	85	(7)	(8.2)
Housing Benefit	1,583	1,577	6	0.4
Incapacity Benefit	13	12	1	8.3
Income Support	0	0	0	0.0
Industrial Injuries Benefits	199	199	0	0.0
Jobseeker's Allowance	62	60	2	3.3
- of which contributory only	52	49	3	6.1
- of which contributory and income-based	0	0	0	0.0
- of which income-based only	0	0	0	0.0
- of which credits only	10	11	(1)	(9.1)
Maternity Allowance	39	46	(7)	(15.2)
Pension Credit	1,382	1,365	17	1.2
Personal Independence Payment	3,878	3,876	2	0.1
Severe Disablement Allowance	8	8	0	0.0
State Pension (includes contributory and non-contributory)	13,204	13,196	8	0.1
Statutory Maternity Pay	258	242	16	6.6
Universal Credit	6,493	6,301	192	3.0
Winter Fuel Payments	10,883	1,303	9,580	735.2

[23] Caseload numbers above only include claims that result in a payment or a credit towards National Insurance Contributions.