**Work and Pensions Committee**

11 March 2026

**Sir Peter Schofield**
Permanent Secretary
Department for Work and Pensions
(By e-mail only)

Dear Sir Peter

**Department for Work and Pensions Supplementary Estimate 2025/26**

I am writing on behalf of the Committee to express our concern about the content of the Department for Work and Pensions' Supplementary Estimate 2025-26 Memorandum, provided to the Committee on 11 February.

While there are some helpful elements to the memorandum, such as the presentation of DWP's expenditure against its goals, the overriding impression we have is that there is a lack of information. As you will be aware, paragraph 1.42 of Supply Estimates: a guidance manual states:

> *The Estimates memorandum is an important element of the explanatory information available to Members of Parliament when scrutinising the Estimate and it is important that this document is complete, accurate and presented to Parliament as early as possible (certainly no later than the date of publication of the Estimate itself).*

There is further guidance on what a memorandum should cover in Annex F, where it emphasises at several points that the memorandum needs to provide a clear statement of what is in the Estimate, what has changed, and why.

Furthermore, paragraph 3.3 of Managing Public Money explains that the Accounting Officer shall personally approve the Estimates Memorandum, paragraph 4.13 emphasises the need for transparency considering the public interest, and Annex 1.1 sets out in detail communications with Parliament, including the requirement to be frank with Parliamentary Select Committees in correspondence and to provide sufficient level of detail to allow effective scrutiny.

It is with this context that we wish to raise issues with the memorandum.

**Connect to Work**

The memorandum, in Table 3, shows that there has been a £79.8 million reduction in funding for employment programmes. On page 10 it explains that this has been driven by (1) a lower than anticipated increase in Access to Work spend, (2) a slower than anticipated increase in

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Connect to Work activity as it is rolled out in local areas, and (3) more accurate cost forecasts for Get Britain Working.

We asked the House of Commons Scrutiny Unit to seek further information on this reduction, and it is through dialogue with Departmental officials, that we have been informed – in an email dated 27 February – that the delayed roll out of Connect to Work will result in "lower overall spend over the life of the programme". This is due to the Department being unable to carry forward budgets across financial years.

As you will be aware, the Committee has an ongoing inquiry into Employment Support for Disabled People, the terms of reference of which includes Connect to Work. We raised Connect to Work with the Secretary of State on 19 November, and with the Minister for Employment on 11 February, and the reduction in overall spend was not set out to the Committee on either occasion.

It is unfortunate that we have learned this information at this point, in this way, given that we have already raised the limited funding for the programme in the evidence session with the Minister for Employment. It is also not appropriate that we, and the rest of the House, were not given this information in an open and transparent way in advance of being asked to approve the Estimates. To give a direct example of the impact this has had to the Committee and the House, if we had been aware of this information, we might have sought to bid for a debate on DWP's estimate.

1. **Do you agree that it would have been helpful to Parliament if it was informed about the reduction in the Connect to Work budget before it was asked to approve the Supplementary Estimates?**

2. **Can you confirm when it was apparent that there would be a reduction in the Connect to Work budget, what information has been provided to Ministers on this, and when that information was provided?**

The suggestion that employment programmes will be cut, based on the information provided, damages confidence in the Government's ability to deliver on its promise to help more people into employment. Should this happen, there would be knock-on effects for people seeking work, particularly where Connect to Work could potentially face losing funding before it has even been fully rolled out. Full and timely transparency on this would enable us to reach an informed conclusion about the prospects of success and prevent uncertainty and doubt.

**General issues with the memorandum**

It is not only in respect of Connect to Work that information has been lacking. Throughout the explanatory memorandum, we have noted many more areas where the explanations for spending changes did not provide us with sufficient information for us to understand the drivers of changes to the Department's spending plans for the 2025-26 financial year. For example:

- We have found it difficult to interrogate the "Core Department" spending subhead for both Resource DEL ("day-to-day spending") and Capital DEL ("investment spending"). This subhead represents £7.5 billion of day-to-day expenditure (73% of total Resource DEL) and £0.6 billion of investment spending (89% of total Capital DEL). **We would be grateful if the Department would explore further disaggregating this subhead within the Estimate.**

- We note that many of the explanations within *Section 2.1 Explanations of changes in spending* were purely descriptive. For example, Employment and Support Allowance (contributory) (ESA C) has increased by £328 million (6.6%). The memorandum explains that an increase in forecast of £124 million is driven by a "greater number of cases than forecast in the Main Estimate" but no further commentary is provided on this, such as an explanation as to why there are more cases. **We would appreciate more detailed explanations than in the commentary provided, to ensure that the memorandum can be understood as a standalone document.**

- A specific example of the above is Universal Credit, where an increase in forecast of £3,278 million is "predominantly driven by higher than forecast claims for the UC Health Element." No further information is provided within the memorandum on this. **We would be grateful if you would explain why there has been significantly more claims for the UC Health Element than forecast by the Department in June.**

- We also note that a substantial portion of the increase requested at the Supplementary Estimate relates to the inclusion of a margin for error for benefit spending (£6.3 billion of £12.9 billion in total; 49% of the total). **We recognise the value of this given the volatility of welfare spending, but would appreciate the Department setting out in detail the process by which it arrives at the margin requested for each benefit**. In cases of individual benefits where the proportion of the increase is in the main to include a margin of error, such as is the case with Personal Independence Payment, where 76% of the increase requested is margin for error, **we would value in future more detailed explanations as to why robust margins are requested.**

- Finally, the Committee would be grateful for greater detail to be provided under *Section 3.2 Measures of performance against each priority outcome* in future memoranda. The lack of detail in the memorandum undermines our work evaluating the live performance

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of the Department. **We would value additional detail akin to that provided within the Performance Report included in the Department's Annual Report and Accounts.**

**Considering the memorandum alongside the other work of the Committee**
Taking into account the general issues set out above and the specific issue of the Connect to Work programme, as a whole we have found the standard of the Memorandum to be unacceptable. I have previously shared the Committee's concerns about how the Department cooperates with those who are scrutinising it, whether by investigation or otherwise, in my letter to the Secretary of State on 11 February. While I am grateful that your officials have been collaborative and supportive in response to the inquiries from Parliamentary staff, it would have been much more satisfactory if this information had been forthcoming in the explanatory memorandum or during the Minister's recent appearance in front of the Committee. This lack of transparency raises further questions about the culture of the Department.

3. **What is your assessment of the awareness amongst officials in the Department that it needs to be transparent when providing information and when dealing with Parliamentary Select Committees that it should be frank and should provide sufficient level of detail to allow effective scrutiny?**

4. **When approving the Estimates Memorandum, did you or any other senior officials raise any concerns about the level of transparency in the Memorandum? If so, what were these and how were they addressed in further versions?**

Given the importance of the issues set out, I would be grateful if you could respond to this letter by 18 March, so the Committee can deliberate on your response and consider whether it needs to take further action before the House adjourns for the Easter recess.

Yours sincerely,

Debbie Abrahams

**Debbie Abrahams MP**
**Chair, Work and Pensions Committee**

**Cc: Secretary of State, Rt Hon Pat Mc Fadden MP**
**Minister for Employment, Rt Hon Dame Diana Johnson MP**

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