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Work and Pensions Committee

Benefit levels in the UK

Second Report of Session 2023–24

Report, together with formal minutes relating to the report

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Work and Pensions Committee

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Summary

The Department for Work and Pensions is the UK's biggest public service department, responsible for the delivery of welfare policy to around 9.3 million working-age people at any one time. One of its key priorities is to "provide financial support to people who are entitled to it," which it does through a range of benefits intended for different purposes—such as benefits for jobseekers, benefits for families, and benefits to help with costs associated with illness or disability.

In this report, we consider benefit levels for working-age people and whether they are meeting the needs of claimants. This inquiry follows our July 2022 report, *The Cost of Living*, where we recommended that the Government "review the adequacy of benefit levels and publish its findings". The Government did not accept this recommendation because "there is no objective way of deciding what benefits should be". This report is our response to that challenge.

In this report, we set out a wide range of evidence which suggests that benefit levels are too low, and that claimants are often not able to afford daily living costs and extra costs associated with having a health condition or disability. Whilst we find the experience of claimants has been exacerbated by recent cost of living pressures, our inquiry has led us to look more probingly at what the purpose of the benefit system is, how benefit levels have historically been set, and how they could be set and uprated in the future.

We identify that a key challenge when evaluating the adequacy of benefit levels is that the Government has not set objectives for what benefit levels ought to achieve or prevent. While there is an objective that benefits should incentivise work, there is not an explicit objective as to how benefits will support claimants with daily living costs. In order to set objectives, we recommend that the Government first develop a framework of principles to inform discussion on benefit levels and help build cross-party consensus. With a firmer base to progress from, we suggest the Government outline a benchmark and objectives linked to living costs to measure the effectiveness of benefit levels, and to make changes alongside annual uprating.

This report also sets out an overview of the procedures used to uprate benefits on an annual basis, and it identifies where changes could be made to improve consistency, transparency and accountability in the system. We recommend the Government commit to an 'uprating guarantee,' to uprate benefits annually with a consistent measure, for example prices. We also recommend the Government uprate the Local Housing Allowance rate each year so that it retains its value at the 30th percentile of local rents.

Benefits are affected by a range of policies which go beyond how levels are set or uprated annually. In this report, we signpost previous work we have conducted, and we look forward to planned changes the Government has announced which relate to employment support and conditionality, which are likely to have a significant impact on claimants. We recommend DWP monitor and publish statistics on the number of Work Coaches and Disability Employment Advisers.

1 Introduction

1. The Department for Work and Pensions is the UK's biggest public service department, responsible for the delivery of welfare policy to around 20 million people at any one time, including the administration of working-age benefits to 9.3 million people.[1] One of its key priorities is to "provide financial support to people who are entitled to it," which it does through a range of benefits intended for different purposes—such as benefits for jobseekers, benefits for families, and benefits to help with costs associated with illness or disability.[2]

2. We opened our inquiry in March 2023 into benefit levels in the UK, to understand whether working-age benefit levels were meeting the needs of claimants. This followed our July 2022 report, *The Cost of Living*, where we heard that a root cause of the financial challenges faced by households "lay in the fundamental inadequacy of social security support".[3] We therefore recommended in that report that the Government "review the adequacy of benefit levels and publish its findings". The Government did not accept this recommendation because "there is no objective way of deciding what benefits should be".[4] This report is our response to that challenge.

3. This inquiry also builds on our more recent November 2023 report, *Cost of living support payments,* which considered the Government's response to support households with the rising cost of living.[5] For this report, we have broadened our focus and sought to understand whether everyday support provided through the benefit system is meeting need. Although we remain interested in the effects of the cost of living crisis, especially where it has exacerbated households' financial difficulties, it has been our intention to probe more deeply into how benefit levels are set and uprated annually. This is in light of benefit levels having lost 8.8% of their real terms value since 2012.[6] In April 2022, the basic rate of unemployment benefit experienced its greatest fall in value since 1972.[7]

Scope

4. In this report, we focus on working-age benefits rather than benefits for people above State Pension age, in recognition that support for pensioners is designed with different intentions in mind. We also touch only briefly on child-specific benefits, given the impact of benefit levels on households, including those with children.

1 Department for Work and Pensions, 'About us,' accessed 11 January 2024; and Department for Work and Pensions, 'Benefit Combinations: Official Statistics to August 2023,' accessed 27 February 2024
2 Department for Work and Pensions, 'About us,' accessed 11 January 2024
3 Work and Pensions Committee, Second Report of Session 2022–23, The cost of living, HC 129, para 25
4 Work and Pensions Committee, *Third Special Report of Session 2022–23,* The cost of living: Government Response to the Committee's Second Report of Session 2022–23, HC 671
5 Work and Pensions Committee, First Report of Session 2023–24, Cost of living support payments, HC 143
6 Policy in Practice, 'Autumn statement 2023: Benefit households gain £5.65 a month but 30% more fall into negative budgets,' accessed 12 February 2024
7 Joseph Rowntree Foundation, 'Main out-of-work benefit sees its biggest drop in value in fifty years,' accessed 22 February 2024

Our inquiry

5. During the course of our inquiry, we have published nearly 100 pieces of written evidence, as well as various pieces of correspondence with the Department. To incorporate lived-experience, we held a series of virtual roundtables with claimants so we could hear their views directly. We also created discussion packs around key questions relating to benefit levels, and asked stakeholder organisations to conduct 'distributed dialogues' with claimants on our behalf—the results of which were sent back to us. Summaries of the roundtables and distributed dialogues can be found at Annex Two and Annex Three of this report respectively. Finally, we held seven oral evidence sessions, including a scoping session in advance of our formal inquiry launch, where we heard from Ministers and former Ministers, charities, think tanks, academics and others. We are grateful to all those who have contributed to our report, and the wealth of experience they have provided.

6. In this report:

a) Chapter Two sets out the context for our report, covering a range of factors which influence benefit policy and affect claimants' financial circumstances, such as the cost of living, employment and pay. We also provide an overview of evidence relating to the adequacy of benefit levels for different households;

b) Chapter Three looks at how benefit levels are set, and in doing so goes back to first principles. In it, we ask questions about the purpose, principles and objectives of benefits;

c) Chapter Four considers the procedures used to uprate and scrutinise benefit levels, and what improvements might be made to ensure their value is not eroded over time;

d) Chapter Five provides an overview of current and planned changes to benefit policies which can affect the levels of support provided to claimants. In doing so, we look back at work we have conducted over this Parliament and highlight where relevant challenges remain. We also look forward, as we indicate which areas of work we will follow with interest during the remainder of this Parliament; and

e) Finally, Chapter 6 provides a brief conclusion to our report.

7. We hope our report will be useful to the Government and that it initiates a productive debate on benefit levels. Having more clear-sighted processes to set and uprate benefits could improve the coherency of policy and improve transparency and accountability in the system, benefitting all those who might require support from DWP.

2 State of play

8. In this chapter, we set out the backdrop to our report: we outline the main benefits for working-age people; claimant numbers and take-up over time; and the current real-terms value of benefits. We also look at the cost of living, employment and pay statistics. Finally, we set out a summary of evidence relating to the adequacy of benefit levels.

Working-age benefits discussed in this report

9. The UK benefit system consists of a range of payments made by different government departments and agencies, including the Department for Work and Pensions, HM Revenue and Customs and local authorities. Payments are made to provide financial support to people who require it, including jobseekers, people on low incomes, people with caring responsibilities, and people with a disability or health condition. Benefit entitlement can be based on any, or a combination of the following:

- Having made or being credited sufficient National Insurance contributions (**'contributory benefits'**);
- Means-testing, or a claimant's income and capital (**'income-related benefits'**); or
- Meeting certain other criteria, such as having a health condition or disability, or caring responsibilities.[8]

10. For some benefits, there is a maximum, flat award which takes into account savings and earnings to determine the amount payable. Universal Credit (UC) recipients who are in work, for example, have their UC payment reduced by 55p for every £1 earned.[9] UC recipients with more than £6,000 in money, savings and investments will also have their payments reduced.[10] For other benefits, such as Personal Independence Payment (PIP), the amount can vary depending on the extent to which having a disability affects the claimant's mobility and ability to complete daily tasks.[11]

11. The benefit system provides two broad types of financial support, intended for different purposes:

- **Income-replacement benefits,** intended to supplement earnings and help with daily living costs, for claimants on low earnings, claimants who are unemployed, and those who are unable or not expected to work;[12] and
- **Extra-cost benefits,** intended to contribute towards extra costs associated with a claimant's circumstance, for example, those associated with a health condition or disability.[13]

8 DWP, 'Guidance and methodology: Benefit expenditure and caseload tables,' accessed 22 January 2024
9 GOV.UK, 'Universal Credit: How your wages affect your payments,' accessed 22 January 2024
10 GOV.UK, 'Universal Credit: What you'll get,' accessed 22 January 2024
11 GOV.UK, 'Personal Independence Payment (PIP): How much you'll get,' accessed 22 January 2024
12 See for example, 'Universal Credit is a payment to help with your living costs'. GOV.UK, 'Universal Credit: What Universal Credit is,' accessed 22 January 2024
13 *Cost of Living for people with disabilities,* Debate Pack Number CDP-0104, House of Commons Library, May 2023, p 4

As these benefits have been designed with different intentions in mind, they will be considered separately at points in this report. We use 'income-replacement benefits' interchangeably with 'benefits for jobseekers' or 'unemployment benefits', to reflect that most income-replacement benefits have some work-related conditionality attached. We remain mindful however that 'benefits for jobseekers' does not fully reflect the circumstances of people in receipt of other income-replacement benefits, such as Carer's Allowance, who are prevented from increasing their earnings above a set limit due to certain eligibility criteria. The main benefits we consider in this report are: Universal Credit (UC), Housing Benefit (HB), Jobseeker's Allowance (JSA), Employment and Support Allowance (ESA), Carer's Allowance, Carer Support Payment, Personal Independence Payment (PIP), Adult Disability Payment (ADP) and Local Housing Allowance (LHA). In Table 1 in Annex One, we set out a description of each of these benefits.

Administrative differences across the UK

12. Social security powers in Great Britain are partially devolved to Scotland through the *Scotland Act 2016,* and powers are entirely devolved to Northern Ireland. This is with the exception of Child Benefit, Guardian's Allowance, Working Tax Credit and Child Tax Credit, all of which are reserved throughout the UK and are administered by HMRC.[14]

Scotland

13. The *Scotland Act 2016* devolved most disability, industrial injury and carer benefits.[15] The UK and Scottish Governments agreed a phased approach to the devolution of the executive competency for these benefits. All devolved benefits have now been transferred, however DWP continues to deliver many working-age benefits on behalf of the Scottish Government and through agency agreements.[16] Benefits in Scotland are administered by Social Security Scotland, which is an executive agency of the Scottish Government.[17] The main working-age social security benefits and tax credits in Scotland which remain reserved to the UK Government are: Universal Credit; Working and Child Tax Credits; Jobseeker's Allowance; Employment Support Allowance; Income Support; Child Benefit; Housing Benefit; Guardian's Allowance; and Bereavement Support Payment.

14. At the end of financial year 2022–2023, Social Security Scotland was delivering 13 social security benefits, seven of which are new forms of assistance not available elsewhere in the UK.[18] As of November 2023, Social Security Scotland began to deliver its 14th social security benefit, Carer Support Payment, which is expected to be available across Scotland by Autumn 2024.[19] The key benefits related to this report introduced by the Scottish Government are:

- The **Scottish Child Payment:** a payment to help low-income households in receipt of a qualifying benefit with children under 16. It is paid every four weeks, at a weekly rate of £25 per child. There is no limit on the number of children in a family who can receive the payment.[20]

14 *Social security powers in the UK*, Briefing paper 9048, House of Commons Library (November 2020)
15 Scotland Act 2016, section 22
16 gov.scot, 'Scotland Act 2016 implementation: seventh annual report,' accessed 6 February 2024
17 mygov.scot, 'Social Security Scotland,' accessed 23 January 2024
18 mygov.scot, 'Social Security (Scotland) Act 2018: progress report 2022 to 2023,' accessed 23 January 2024
19 Social Security Scotland, 'New benefit for unpaid carers launches,' accessed 13 March 2024
20 Social Security Scotland, 'Overview of Scottish Child Payment,' accessed 23 January 2024

- **Carer's Allowance Supplement (CAS):** an extra payment for carers in Scotland who are in receipt of Carer's Allowance or Carer Support Payment. CAS is paid twice yearly, and the rate of payment was originally calculated so when combined with CA, it would be equivalent to the value of other income-replacement benefits such as Jobseeker's Allowance.[21] The Scottish Government said it plans to switch from administering CAS as two lump-sum payments to more regular payments.[22]

- **Carer Support Payment:** (which is being rolled out across Scotland in Spring 2024)**:** replaces Carer's Allowance (CA) in Scotland but is paid at the same rate. It has fewer eligibility criteria than CA, for example, education restrictions have been removed so carers can engage with full-time study and still receive the payment.[23]

- **Adult Disability Payment (ADP):** is replacing Personal Independence Payment (PIP) in Scotland. Payment rates and eligibility criteria for ADP are mostly the same as PIP. However, Ben Macpherson MSP, the then Minister for Social Security and Local Government, Scottish Government, indicated in June 2022 this was subject to change.[24] The key differences between PIP and ADP relate to the application and assessment process.[25]

Wales

15. All social security benefit, tax credit, allowances and payments in Wales are reserved. The Welsh Government administers a system of grants and allowances, including a Council Tax Reduction Scheme and Free School Meals.[26]

Northern Ireland

16. Although most social security powers are formally devolved to Northern Ireland, under Section 87 of the *Northern Ireland Act 1998,* Northern Ireland maintains 'parity' with social security, child maintenance and pensions in Great Britain. A key difference emerged however following attempts to pass a Welfare Reform Bill through the Northern Ireland Assembly in 2012 (following the UK Government's *Welfare Reform Act 2012).* While this Bill did not pass, it led to the 'Fresh Start Agreement' in November 2015.[27] A crucial part of the Fresh Start Agreement was that £585 million, paid for by NI Executive funds, was to go towards a 'welfare mitigation package,' to temper some of the impacts of these welfare changes. A Working Group decided the majority of the mitigation package should be spent on:

21 Social Security Scotland, Overview of Carer's Allowance Supplement, 1 April 2021
22 gov.scot, Social Security - Scottish Carer's Assistance Consultation: Scottish Government response - easy read, 21 April 2023
23 mygov.scot, 'Carer Support Payment: who can apply for Carer Support Payment,' accessed 23 January 2024
24 Oral evidence taken on 29 June 2022, (HC 2–22–23) 128, Q426–427 [Ben Macpherson MSP]
25 Scottish Government (BPI0090)
26 National Assembly for Wales, Local Government and Communities Committee, *Benefits in Wales: options for better delivery* (October 2019), pp 11–18
27 *Social security powers in the UK*, Briefing Paper 9048, House of Commons Library, November 2020

- Welfare Supplementary Payments, to mitigate the impact of the Social Sector Size Criteria ('removal of the spare room subsidy' or the 'bedroom tax'), the benefit cap, and to offset reduced or lost entitlement to certain benefits; and
- Discretionary Support Awards and a Universal Credit Contingency Fund—payments made to claimants during a crisis situation.[28]

17. The regulations which provide the basis for Welfare Supplementary Payments in Northern Ireland were originally intended to expire on 31 March 2020, but were extended in 2022 to 31 March 2025.[29] The Northern Ireland Assembly legislated to: retain mitigations for the spare room subsidy indefinitely; close loopholes which had prevented some claimants from accessing financial assistance through the mitigation scheme; and extend benefit cap mitigations until 2025.[30]

18. Dr Ciara Fitzpatrick, Academic Adviser for the Northern Ireland Cliff Edge Coalition, highlighted additional challenges faced by Northern Ireland in recent years, which included a budget cut of £111 million to the Department for Communities, which meant that although there was the principle of devolution, Northern Ireland did not have the "financial capabilities to devolve any further administrative operations".[31]

Benefit claimant caseload

DWP expenditure on benefits

19. The Department for Work and Pensions has one of the largest expenditures of any government department. In 2022–23 for example, real terms public expenditure on social protection (which includes DWP) totalled £320.9 billion, compared to £212.12 billion on health, or £106.6 billion on education.[32] Most of DWP's expenditure relates to benefit payments and constitutes Annually Managed Expenditure (AME), which is demand-led and is not subject to multi-year spending limits, compared to Departmental Expenditures Limits (DEL), which covers all spending that can be planned in advance. Annually Managed Expenditure (AME) on benefit and pension payments in 2022–23 totalled £230.5 billion, around £14.4 billion (6.7%) more than in 2021–22.[33] This trend is forecast to continue, including for the working-age elements of this expenditure. In 2023–24 the Government is forecast to spend £35 billion more on benefit and pensions payments than in 2022–23.[34] Table 1 sets out the breakdown of this expenditure for 2022–23:

28 The Executive Office, 'Welfare Reform Mitigations Working Group,' accessed 6 January 2024
29 The Welfare Supplementary Payment (Extension) Regulations (Northern Ireland) 2022
30 Law Centre NI, 'Cliff Edge Coalition NI: Who we are,' accessed 23 January 2024
31 Q43
32 HM Treasury, 'Public spending statistics: November 2023,' accessed 20 February 2024
33 National Audit Office, Department for Work & Pensions: Departmental Overview 2022–23 (December 2023) pp 6–7
34 National Audit Office, Department for Work & Pensions: Departmental Overview 2022–23 (December 2023), pp 6–7

Table 1: DWP spending on benefits

	2022–23
Pensioner benefits	£114.6 billion
Working-age benefits	£59.9 billion
Disability benefits (all ages)	£33 billion
Housing Benefit (paid to local authorities)	£16.1 billion
Other (including cost of living payments)	£11.2 billion

Source: National Audit Office, Department for Work & Pensions: Departmental Overview 2022–23 (December 2023), pp 6–7

Number of people claiming benefits

20. At any one time, DWP is making benefit and pension payments to over 20 million people.[35] The main benefit for working-age people in the UK is Universal Credit, and as of January 2024, there were 6.3 million people in receipt of UC.[36] Since January 2023, the proportion of UC claimants in work has remained fairly consistent, with 38% of claimants being in work as of January 2024.[37] Table 2 sets out the number of Universal Credit claimants in Great Britain and the proportion of those in work by nation, as well as by region in England. We note that some UC claimants who are not categorised as being in work may be unable to work due to being an unpaid carer, sick or disabled, for example.

Table 2: Number of Universal Credit claimants as of November 2023

Region	Total	UC number in work	Proportion in work
England, of which:	5,407,387	2,111,445	39.0%
North East	305,097	110,049	36.1%
North West	806,696	301,855	37.4%
Yorkshire and The Humber	568,808	214,710	37.7%
East Midlands	442,896	181,037	40.9%
West Midlands	633,161	231,232	36.5%
East of England	516,145	213,075	41.3%
London	990,323	381,156	38.5%
South East	693,248	287,297	41.4%
South West	451,009	191,030	42.4%
Wales	307,076	112,705	36.7%
Scotland	502,392	178,607	35.6%
Great Britain Total	**6,220,123**	**2,403,821**	**38.6%**

Source: Data in the table taken from: Department for Work and Pensions, Stat-Xplore, accessed 30 January 2024

35 National Audit Office, Department for Work & Pensions: Departmental Overview 2022–23 (December 2023) pp 5
36 Department for Work and Pensions, 'DWP benefits statistics: February 2024,' accessed 13 February 2024
37 Department for Work and Pensions, 'Universal Credit statistics, 29 April 2013 to 11 January 2024,' accessed 13 February 2024

We provide further claimant numbers for the different working-age benefits in Tables 2 and 3 of Annex One.

The cost of living

21. We published a report, *The Cost of Living*, in July 2022, just months before inflation peaked at a 41 year high of 11.1% in October 2022.[38] Since October 2022, inflation has gradually been reducing. In March 2023, when we opened our inquiry, CPI inflation was 10.1%, and in December 2023, when we held the final evidence session for our inquiry, CPI was at 4%.[39] This downward trajectory is expected to continue: economists surveyed by the Treasury in January 2024 estimated that inflation would decrease to 2.2% in the fourth quarter of 2024.[40] More recently, the Office for Budget Responsibility said at the time of Spring Budget 2024 that it expected inflation to fall "to an average 2.2 per cent this year and 1.5 per cent in 2025".[41] Analysis by the Resolution Foundation however demonstrated that at the beginning of 2024, average annual food and energy bills remained £1,000 and £760 higher respectively than pre-pandemic levels.[42]

22. Households with the lowest incomes and households including a disabled person or people tend to be most affected by rising prices as a greater share of their income is spent on food and energy.[43] In May 2023, 68% of Universal Credit recipients surveyed by the Joseph Rowntree Foundation reported cutting back on foods for adults.[44]

Government action on the cost of living

23. The Government has introduced several measures to support households with the cost of living in recent years. These included a £150 non-refundable Council Tax rebate, a £400 Energy Bill support scheme, as well as several cost of living support payments administered by the Department for Work and Pensions. In addition, the Household Support Fund, administered by local authorities, has been able to provide emergency support to those who need it.[45]

38 Office for National Statistics, 'Consumer price inflation, UK: October 2022' accessed 2 February 2024
39 Office for National Statistics, 'Consumer price inflation, UK: March 2023,' accessed 6 February 2024; and Office for National Statistics, 'Consumer price inflation, UK: December 2023,' accessed 6 February 2024
40 GOV.UK, Forecasts for the UK economy: January 2024 (January 2024), p 3
41 Office for Budget of Responsibility, Economic and fiscal outlook (March 2024), p 6
42 Resolution Foundation, From merry Christmas to a messy new year (December 2023), p 2
43 Office for National Statistics, 'Household Costs Indices for UK household groups: January 2022 to September 2023,' accessed 2 February 2024; and 'Office for National Statistics, Household Costs Indices preliminary estimates, 12-month growth rates, expenditure shares and contributions for UK household groups and all-households,' accessed 2 February 2024
44 2023 162 Joseph Rowntree Foundation, '5.7 million low-income households having to cut down or skip meals, as JRF's cost of living tracker shows "Horrendous new normal",' accessed 2 February 2024
45 Department for Work and Pensions, 'Cost of Living Payments 2023 to 2024,' accessed 2 February 2024; Department for Work and Pensions, 'Cost of Living Payment 2022 to 2023 management information,' accessed 2 February 2024; Department for Work and Pensions, 'Household Support Fund: guidance for local councils,' accessed 2 February 2024

24. We considered the effectiveness of support administered by DWP in our November 2021 report, *Cost of living support payments*, where we found that payments had an important impact and boosted the finances of low-income households. However, we expressed concern that one-off payments were not a sufficient response to the challenge and provided only temporary respite.[46]

25. The Government uprated working-age benefits in April 2023 in line with CPI inflation of 10.1%, and in April 2024, benefits will again be uprated by the previous September's CPI inflation of 6.7%. As cost of living support payments come to an end, benefit support will fall in real-terms for some households. For a single, out-of-work parent with one child, UC uprating will mean they receive £520 more from UC in 2024–25. However, the end of the £900 cost of living payments will mean that overall some households will receive £380 less in financial support in 2024–25 due to these payments coming to an end.[47] As we will discuss in Chapter 4, uprating decisions and rules compound over time, so looking at uprating decisions for specific years only paints part of the picture.

Poverty

26. DWP data shows that around one in six people in the UK were in relative low income (relative poverty) before housing costs in 2021–22; or, one in five people after accounting for housing costs. About 13% of people were in absolute low income (absolute poverty) before housing costs in 2021–22; or, 17% after housing costs. Overall, poverty rates have reduced for children, pensioners, and working age-parents since the late 1990s. For working-age adults without dependent children, however, the likelihood of being in relative low income has increased.[48]

27. The Joseph Rowntree Foundation (JRF) Report, *UK Poverty 2024*, found that poverty rates for people in households claiming an income-related benefit increased from 39% to 49% between 2011–12 to 2021–22. In 2021–22, the poverty rate for individuals in a household in receipt of a disability benefit was 20%, and in receipt of Carer's Allowance 34%. In its report, JRF provided data on poverty in workless and working households, which highlighted the prevalence of in-work poverty (please note these figures do include households not in receipt of benefits):

> People in workless households also face a higher risk of poverty, with more than half of working-age adults (56%) in workless households being in poverty in the latest data. However, because such a high share of the population is in work, around two-thirds of working-age adults in poverty actually lived in a household where someone was in work, despite these households having a much lower poverty rate of 15%.[49]

46 Work and Pensions Committee, First Report of Session 2023–24, Cost of living support payments, HC 143, para 61

47 Resolution Foundation, From merry Christmas to a messy new year (December 2023), p 6

48 *Poverty in the UK*, Research Briefing 7096, House of Commons Library, December 2023

49 Joseph Rowntree Foundation, UK Poverty 2024 (January 2024), p11

Employment and pay

Labour market statistics

28. The Government has been consistent that the best way to support living standards is through "good work, better skills, and higher wages".[50] To this end, alongside financial support to claimants through benefit levels, a key part of DWP's offer is employment support to unemployed people to help them find work.

29. In November 2023 to January 2024, the UK unemployment rate for people aged 16 and over was 3.9%, and there were 1.36 million unemployed people.[51] The term 'unemployment' relates to the number of people without a job, who have been actively seeking work within the last four weeks and are available to begin work within the next two weeks. In the same period, the economic inactivity rate reached 21.8% and there were 9.25 million economically inactive people aged 16–64 in the UK.[52] The term 'economic inactivity' relates to the number of people who have not been seeking work within the last four weeks and who are not able to start work in the next two weeks. The leading reasons for inactivity in October to December 2023 were long-term illness (30%), and individuals in this age group saying they were students (27%).[53]

30. The economic inactivity rate increased substantially during and after the Covid-19 pandemic. In May to July 2022, the economic inactivity rate increased to 21.7% (9.0m), which at that point was the highest number of economically inactive people recorded in the UK since 2015.[54] Analysis by the Resolution Foundation indicates that regional variation in economic inactivity due to ill health has also risen since the pandemic. The Resolution Foundation said it is likely that local health-related factors have contributed to this change, and that areas with pre-existing health problems have experienced the greatest decline in the health of working-age people. For example, areas which already had higher rates of sickness-related inactivity, such as Merseyside (+1.6 percentage points) and Durham (+1.5 percentage points), experienced almost twice the national increase. This compares with areas such as Inner London East (-0.4 percentage points) and West (-0.3 percentage points), which have shown a decrease in sickness-related inactivity.[55] There are likely to be other factors affecting regional difference in economic inactivity. This was a particular concern in light of high numbers of job vacancies in the same period: in the quarter March to May 2022, the ONS estimated a peak of 1.3 million vacancies.[56] Job vacancies have been falling every quarter since March to May 2022, and in December 2023 to February 2024, there were 908,000 vacancies in the UK.[57] We considered DWP's employment support offer, including to people who are economically inactive, at length in our July 2023 report, *Plan for Jobs and employment support.*[58]

50 Department for Work and Pensions (BPI0095)
51 Office for National Statistics, 'Employment in the UK: March 2024,' accessed 13 March 2024
52 Office for National Statistics, 'Employment in the UK: March 2024,' accessed 13 March 2024
53 Office for National Statistics, 'INAC01 SA: Economic inactivity by reason (seasonally adjusted),' accessed 20 February 2024
54 Office for National Statistics, 'Employment in the UK: September 2022,' accessed 15 February 2024
55 Resolution Foundation, The Resolution Foundation Labour Market Outlook (January 2024), p 3
56 Office for National Statistics, 'Vacancies and jobs in the UK: July 2023,' accessed 15 February 2024
57 Office for National Statistics, 'Vacancies and jobs in the UK: March 2024,' accessed 14 March 2024
58 Work and Pensions Committee, Eighth Report of Session 2022–23, Plan for Jobs and employment support, HC 600

Value of benefit levels

31. DWP analysis published in January 2024 shows that since 2013, unemployment benefit rates have fallen as a proportion of median earnings from 13.9% to 12.1% in April 2022. It attributed this to:

- Governments' decisions to under-index or freeze benefits between 2013 and 2020;
- uprating benefits in line with CPI, instead of RPI or Rossi; and
- earnings typically rising faster than prices.[59]

We explore the impact of different aspects of uprating procedure on benefit levels in greater detail in Chapter 3 of this report.

International comparisons

32. Greater Manchester Poverty Action, the TUC and the Chartered Institute of Housing highlighted to us that the UK has one of the lowest net replacement rates (NRR) for unemployment benefits amongst countries within the Organisation for Economic Cooperation and Development (OECD).[60] Net replacement rates in unemployment measure the proportion of previous in-work income maintained after several months on unemployment benefits.[61] In 2023, or when the latest data was available for each country, the UK had the lowest NRR for unemployment benefits after two months of unemployment across the OECD.[62] The NRR was 17% of previous in-work income, compared to the OECD average of 62%, or the highest NRR of 91% in Belgium. After six months of being unemployed, the UK ranked third from the bottom of the OECD; and after five months, 30th out of 38 countries.[63]

33. Comparing the NRR for unemployment benefits between OECD countries does not provide a full picture. In most OECD countries, short-term income protection is provided through a contributory-based system of unemployment-insurance, which is earnings-related, time-limited, and linked to conditionality requirements for job searches. These systems tend to be complemented by universal and/or means-tested support, targeted towards those most in need.[64] Further, variances in net replacement rates and other benefits will be the result of differences between labour market conditions, wages, and other factors.

34. Emily Farchy, an Economist from the OECD, told us that the UK was an outlier in not having a system of unemployment insurance. Overall, however, the UK had "strong unemployment assistance" when it came to targeting and that many countries looked

59 Department for Work and Pensions, 'Abstract of DWP benefit rate statistics 2022,' accessed 3 February 2024
60 See, for example, Greater Manchester Poverty Action (GMPA) (BPI0020), Chartered Institute of Housing (BPI0066) and Trades Union Congress (TUC) (BPI0086).
61 OECD, 'Benefits and wages: Net replacement rates in unemployment,' accessed 20 February 2024
62 OECD, 'Benefits in unemployment, share of previous income,' accessed 6 February 2024
63 OECD, 'Benefits in unemployment, share of previous income,' accessed 6 February 2024
64 OECD, Income support for jobseekers: Trade-offs and current *reforms* (February 2023), p 3

towards Universal Credit as a positive example of how to provide this type of support.[65] Lower overall replacement rates in the UK context can therefore also be seen as an indication of higher targeting of support to low earners.[66]

35. The OECD's 'Adequacy of minimum income benefits' indicator, which measure the income of jobless households on guaranteed minimum income benefits, as a percentage of the median disposable income in the country (including housing supplement subject to eligibility conditions), ranks the UK fourth across OECD countries for a single person with no child.[67] The UK is ranked third for households comprised of a couple and two children; and second for households comprised of a single parent with two children.[68] For public spending on incapacity, which relates to disability cash benefits, the UK ranked 28th of 38 OECD countries in 2019–2021 (the latest data available), spending 1.3% of GDP in 2020 compared to the OECD average of 2.0% of GDP in 2019.[69]

Claimant experience

36. We asked several questions to understand claimants' experiences of benefit levels, including whether benefit levels were sufficient to cover 'essential' costs. We were also interested in whether benefit levels were appropriately set to encourage people who were able to work into work.[70] What follows is a brief overview of the evidence we received relating to adequacy, including for specific groups.

Benefit levels for under-25s

37. The personal allowance of most income-replacement benefits is lower for people under the age of 25 than it is for those over 25. For Universal Credit, the standard allowance rate for a single person under the age of 25 in 2023–24 was £292.11 per month, and for a single person aged 25 or over it was £369.74 per month.[71] In July 2021, Will Quince MP, the then Minister for Welfare Delivery, explained that the lower benefit rate for under 25s was to reflect that this group was more likely to live in someone else's household and would have lower earnings expectations.[72]

38. Some people who contributed to our inquiry highlighted concerns that lower benefit rates for under 25s had a detrimental impact on young people. For example, the Centre for Research in Social Policy at Loughborough University said under 25s faced the same living costs as older people, and that:

> potentially vulnerable young people are put under greater pressure when they are arguably in need of greater support, struggling to cover essentials, vulnerable to debt and unable to engage in social activities that are important to well-being and mental health.[73]

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65 Q248
66 OECD, Income support for jobseekers: Trade-offs and current *reforms* (February 2023), p 3
67 OECD, 'Adequacy of minimum income benefits,' accessed 6 February 2024
68 OECD, 'Adequacy of minimum income benefits,' accessed 6 February 2024
69 OECD, 'Public spending on incapacity,' accessed 6 February 2024
70 Work and Pensions Committee, 'Call for Evidence: Benefit levels in the UK,' accessed 23 January 2024
71 Department for Work and Pensions, 'Proposed benefit and pension rates 2025 to 2025,' accessed 6 February 2024
72 One Parent Families Scotland, 'Press release: UK Government defence of benefit age inequality "woefully misunderstands" reality of young parents' lives,' 26 August 2021
73 The Centre for Research in Social Policy, Loughborough University (BPI0036)

This was echoed by Centrepoint, a national charity working with homeless young people aged 16 to 25, who found in a survey of 215 young people in 2021 that "38 per cent of survey respondents stated that their benefit levels are too low to help them find work, education or training".[74] Youth charity YMCA England & Wales made similar points.[75] The YMCA also pointed to the experience of under 23s, for whom there is a lower National Living Wage (NLW), and who were less able to increase their earnings.[76] A further challenge raised was the experience of young lone parents. Prior to the introduction of Universal Credit, a lone parent aged 16–24 in receipt of a relevant legacy benefit was entitled to the same personal allowance rate as a lone parent over the age of 25. Groups in Wales and Scotland, for example, criticised this policy change and said the "young parent penalty" contributed to poverty rates for young parents and their children.[77]

Benefit levels for children

39. Although our report focuses on working-age benefits, the matter of benefit adequacy has a direct impact on children whose parents are in receipt of such benefits. Further, households in receipt of Universal Credit that include a child aged 16 or under, or a "qualifying young person" aged between 16 and 19, are entitled to additional support through the child element of UC. In the Summer Budget 2015 the Government announced it would introduce a "two-child limit", to reduce welfare spending and ensure families claiming benefits faced "the same financial choices" as those in work.[78] As such, any third or subsequent child in a household born from 6 April 2017 does not entitle claimants to an additional amount unless an exception applies, such as if your children were born before 6 April 2017 or you were already claiming for three of more children before 6 April 2017.[79] Some people who contributed to our inquiry were critical of the two-child limit and said it was a driver of child poverty.[80] Similar arguments were made about the benefit cap, which limits the total amount of benefit that households can receive, and applies to most working-age benefits, including Universal Credit (and the legacy benefits it is replacing) and Housing Benefit.[81] The Benefit Changes and Larger Families research team from the Universities of York, Oxford and the London School of Economics said parents affected by the cap struggled to pay essential bills, and could not replace clothing or broken household furniture such as bedframes, which gave rise to physical discomfort and "knock-on social and emotional effects" with long-term consequences.[82]

40. The Children's Society said the Standard Allowance rate in UC was too low to meet essentials, and as a result, some families were pushed to use income from child-specific benefits for other costs, thereby "depriving children of the support they need".[83] We heard in written evidence and the roundtables we held with claimants that parents were concerned about the impact their financial situation might have on their children's health

74 Centrepoint (BPI0021

75 YMCA England & Wales (BPI0072)

76 YMCA England & Wales (BPI0072)

77 Welsh Government (BPI0069), Scottish Government (BPI0090), and Scottish Campaign on Rights To Social Security, Child Poverty Action Group in Scotland (BPI0061)

78 HM Treasury, Summer Budget 2015 (July 2015) pp 87–88

79 GOV.UK, 'Universal Credit: What you'll get,' accessed 23 January 2024

80 The Children's Society (BPI0052), Child Poverty Action Group (BPI0065), Scottish Campaign on Rights To Social Security, Child Poverty Action Group in Scotland (BPI0061), and North East Child Poverty Commission (BPI0023)

81 Benefit cap rates can be found at GOV.UK, 'Benefit Cap: Benefit cap amounts,' accessed 30 January 2024

82 The Benefit Changes and Larger Families Research Team (BPI0035). See also Frontline Network (BPI0068), Scottish Government (BPI0090), and Policy in Practice (BPI0064)

83 The Children's Society (BPI0052), Child Poverty Action Group (BPI0065)

and wellbeing (see Annex Two for a summary of our discussions). Some parents reported often going without food themselves, to ensure they were able to prioritise the needs of their children.[84]

41. The Department said in its written evidence that "it is in the best interests of children to be in working households and the benefit cap provides a clear incentive to move into work".[85]

Benefit levels for carers

42. Unpaid carers who provide at least 35 hours of care for someone in receipt of a qualifying health and disability benefit might be eligible for financial support through Carer's Allowance (CA). CA is a non-means tested income-replacement benefit, paid at a flat rate of £76.75 a week in 2023–4 (to be uprated to £81.90 a week in 2024–25).[86] To be eligible, claimants must:

- be 16 or over;
- not be in full-time education; and
- not have earnings after deductions of £139 or more per week, if in paid work.

It is possible to claim CA at the same time as Universal Credit. However, CA is constituted as income under UC, meaning a claimant's UC payments would be reduced by an amount equal to their CA payment. Universal Credit recipients who provide care for at least 35 hours per week for someone who receives a qualifying health and disability benefit can receive additional support through the carer's element of UC, which is paid at a rate of £185.86 per month in 2023–24 (to be uprated to £198.31 in 2024–25).[87]

43. Carers and their representative organisations told us that Carer's Allowance was paid at too low a rate. Emily Holzhausen OBE, Director of Policy and Public Affairs at Carers UK, said that paying £76.75 a week for providing the minimum 35 hours of care was "effectively just over £2 an hour for the unpaid care that they provide".[88]As part of research conducted by Carer's Trust in 2022, almost half of the carers they spoke to worried whether they would be able to afford food, and 14% said they either had, or were currently using a foodbank.[89] Emily Holzhausen also said that people in receipt of CA were often cutting back on food and struggling to make ends meet.[90] She added that people in receipt of Carer's Allowance did not have access to passported benefits such as free eye tests or prescriptions, and yet, carers often said they could not afford eye tests or the price of new glasses.[91] CA recipients were also not eligible for the Government's cost of living payments.[92]

84 Changing Realities (BPI0057)
85 Department for Work and Pensions (BPI0095)
86 Department for Work and Pensions, 'Proposed benefit and pension rates 2024 to 2025,' accessed 27 February 2024
87 Department for Work and Pensions, 'Proposed benefit and pension rates 2024 to 2025,' accessed 27 February 2024
88 Q269
89 Q269
90 Q284
91 Q283
92 Department for Work and Pensions, 'Cost of Living Payments 2023 to 2024,' accessed 8 February 2024

44. Carers Trust said provisions in Carer's Allowance made it difficult for carers to increase their working hours because of the eligibility requirement to spend at least 35 hours a week providing care in order to be eligible, and difficulties they faced in offsetting the loss of CA against work.[93] We wrote to Tom Pursglove MP, the then Minister for Disabled People, Health and Work, in October 2023 about research the Department has undertaken looking at Carer's Allowance, and asked whether the Department had any plans to review CA. He confirmed DWP had conducted research and was reviewing it "as part of its wider policy development and thinking around CA".[94] In oral evidence, we asked the Secretary of State for Work and Pensions (Rt Hon Mel Stride MP) for an update on this work. He confirmed the Department was considering research into the experience of carers.[95] Katie Farringdon, Director General for Disability, Health and Pensions at DWP, told us that while the research was under consideration, "we would not intend to publish it".[96] ***The Department should set out when it intends to conclude its review of research on the experience of carers.***

Benefit levels for people in receipt of health and disability benefits

45. The main benefits for people with a health condition and/or disability in the UK are Personal Independence Payment (PIP), Employment and Support Allowance (ESA), and Adult Disability Payment (ADP) in Scotland. We commented extensively on these benefits in our *Health assessments for benefits* Report.[97] PIP and ADP are extra costs benefits, intended to act as a contribution towards the costs associated with having a long-term health condition or disability.[98] They are both non-means tested, which means eligible claimants can receive support regardless of their income and savings.

46. To be eligible for PIP, claimants must first undergo a PIP Assessment, which is a functional assessment which looks at how a claimant's health condition or disability affects a range of conditions. The PIP assessment covers 10 'daily living activities,' and two mobility activities, each of which has a series of descriptors with points attached, to determine how far the claimant can carry out each activity.[99] Payments are made on the basis of the points determined by a DWP decision maker. The different payments rates available for PIP are set out in Table 3.

Table 3: PIP rates (weekly)

Daily living component	Rates 2023–24	Rates 2024–25
Enhanced	£101.75	£108.55
Standard	£68.10	£72.65
Mobility component	**Rates 2023–24**	**Rates 2024–25**
Enhanced	£71.00	£75.75
Standard	£26.90	£28.70

Source: DWP, 'Proposed benefit and pension rates 2024 to 2025,' accessed 19 January 2024

93 Department for Work and Pensions, 'Cost of Living Payments 2023 to 2024,' accessed 8 February 2024
94 Correspondence with Minister for Disabled People Health and Work relating to Carers Allowance
95 Qq377–379
96 Q379
97 Work and Pensions Committee, Fifth Report of Session 2022–23, Health assessments for benefits, HC 128
98 Department for Work and Pensions (BPI0095)
99 For more information including descriptors and guidance for assessors see: DWP, 'Department for Work and Pensions, Guidance: PIP assessment guide part 2: the assessment criteria,' accessed 3 April 2024

Claimants who require further income support can also do so through Universal Credit, where they might be entitled to additional elements pending a Work Capability Assessment (WCA).

47. We asked in our call for evidence whether the additional support provided through benefits such as PIP was sufficient to cover the extra costs for which they are intended. We heard from a wide range of organisations that PIP levels were too low, and this challenge was exacerbated by insufficient income replacement benefits such as Universal Credit.[100] Disability equality charity Scope said, for example:

> Many disabled people in receipt of both Universal Credit and PIP are forced to steal from their extra cost payments, in order to meet other basic needs. As such, lack of adequate financial support from one part of the welfare system affects other parts.[101]

48. When considering PIP itself, we heard that many claimants experienced a significant shortfall between the levels of support provided and the cost of additional health and disability related costs. Scope's *Disability Price Tag 2023: the extra cost of disability* report found that households which included at least one disabled adult or child faced additional costs on average of £975 per month, even after accounting for PIP (or £1,122 per month when updating the figure to reflect inflation over 2022–23)[102]. Macmillan Cancer Support estimated that 83% of people with cancer experience a financial impact from their diagnosis, averaging an additional £891 a month. For the 39% most severely affected by cancer, they were estimated to be on average £1,038 worse off a month following their diagnosis.[103]

49. Shortfalls in the support provided through health and disability benefits were found to have a negative physical and mental health impact on claimants, which in turn could affect their ability to work. This experience was reported in the roundtables (see Annex Two for a summary) we held and in written evidence.[104]

Benefit levels for the wider benefit population

50. We heard evidence that claimants without additional circumstances were also struggling to afford essential living costs. For example, we heard from foodbanks that demand for their services had significantly increased amongst benefit claimants in recent years.[105] Research by the Food Foundation, a charity aiming to change food policy across the UK, found that food insecurity rates had increased to 48.4% of households in receipt of Universal Credit in June 2023, compared to 39.8% in January 2022.[106] Another concern raised throughout evidence related to increased debt troubles faced by benefit claimants.

100 Just Fair (BPI0008), Z2K (BPI0009), Changing Realities (BPI0057), Leonard Cheshire (BPI0070), and Independent Food Aid Network (BPI0085)

101 Scope (BPI0094)

102 Scope (BPI0094)

103 Macmillan Cancer Support (BPI0028)

104 Parkinson's UK (BPI0063) and MS Society (BPI0022)

105 Aberdeenshire North Foodbank (BPI0042), Devizes and District Foodbank (BPI0032), East Lothian Foodbank (BPI0026), Eastbourne Foodbank (BPI0039), Independent Food Aid Network (BPI0085), North Ayrshire Foodbank (BPI0012), and Swale Foodbank (BPI0024).

106 The Food Foundation (BPI0056) and The Food Foundation, 'Food Insecurity Tracking,' accessed 12 February 2024

Debt advice charity StepChange told us that 50% of its clients with a negative budget (where an individual's income is less than their essential outgoings) were in receipt of Universal Credit.[107]

51. We heard that the real-terms value of benefit levels had decreased more for working-age, childless households compared to other households. Robert Joyce, Deputy Director and Head of the Income, Work and Welfare sector at the Institute for Fiscal Studies, said this was because there had been a trend of profiling benefit support towards pensioners and people with children, whilst working-age benefits only had the default policy of price indexing.[108] Professor Ashwin Kumar, Professor of Social Policy at Manchester Metropolitan University, said this led to a "constant drift down in the single childless levels of benefits".[109]

Non-means tested unemployment benefits

52. In this report, our focus is on the adequacy of benefit levels predominantly in how they relate to living costs. We have therefore mostly concentrated on means-tested benefits. However, we were interested also in contributory-based benefits, such as New Style Jobseeker's Allowance (JSA) and Employment and Support Allowance (ESA), both of which are non-means tested, income-replacement benefits, intended to support people out of work.

53. Think tanks suggested that contributory unemployment benefit levels are not appropriately set to support people who fall out of the labour market. For people who might have been middle- or high-income earners for example, the experience of a sudden job loss could make it difficult to maintain ongoing payments. Andrew Harrop General Secretary at the Fabian Society said:

> The sudden shock of a life event means that your earnings stop and people cannot make an immediate adjustment to a very low income. They have housing costs and household bills that they need a period of time to adjust to.[110]

54. This observation was echoed by Mike Brewer, Deputy Chief Executive of the Resolution Foundation, Iain Mansfield, Director of Research at Policy Exchange, and Ryan Shorthouse, Founder and Chief Executive of Bright Blue.[111] Ryan Shorthouse also challenged whether the payment rate of contributory-based benefits was effective at supporting people into work. He said there was growing evidence that lower replacement rates could be detrimental to the economy and to individuals, who could feel forced to find any new job quickly. He added:

> If you have medium or high skills, you may be pushed into a job that is not suitable for your skillset. That is obviously bad for you but it is also bad

107 StepChange Debt Charity (BPI0067)
108 Q13
109 Q23
110 Q213
111 Q224 [Mike Brewer], Q214 [Iain Mansfield], and Q6 [Ryan Shorthouse]

> for the matching of skills to employers. That may be partly why the UK has quite low productivity—because people have not been matched to an employer that matches their skillset.[112]

Recommendation

55. ***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.***

112 Q6

3 Setting benefit levels: Purpose, principles and policy objectives

56. In this chapter, we examine the case for the Government to set out objectives and a benchmark for what benefit levels ought to achieve, in relation to living costs and work incentives, to help inform how benefit levels are set. Finally, we consider the types of costing exercises which could be used to help inform how the Government decides its objectives.

How benefit levels have been set

57. Throughout our inquiry, we have been interested by the challenge that there is no way to decide what an adequate level of benefits should be—despite there being a wealth of evidence that benefit levels are not meeting need. This raised several probing questions—if benefit levels are not perceived as adequate, against what benchmark? Are benefit levels set with reference to any objectives? If not, how are benefit levels set, and how can we make recommendations to improve levels? To this end, we asked witnesses during the scoping session for our inquiry on 8 March 2023, "do the Government have a rationale and objectives for setting benefit rates and social security policy?". Nicholas Timmins, Senior Fellow at the Institute for Government and Donald Hirsch, Professor of Social Policy, Loughborough University, answered definitively, "no," with Professor Ashwin Kumar from Manchester Metropolitan University adding, "Not at the moment, but nowadays there is much more evidence that we could use".[113]

Principles

58. Robert Joyce, representing the Institute for Fiscal Studies, suggested it would be constructive for policymakers to set out a framework of principles to make decisions on benefit levels. He said a framework would provide something tangible, transparent and methodical to engage with—whereas it would always be possible to "quibble" over what constituted "essential" items.[114]

59. Setting out a framework of principles could also act as a unifying baseline to facilitate cross-party discussion on benefit levels and ensure decisions are taken in a consistent manner. Take, for example, the work of the Social Metrics Commission (SMC), set up by Baroness Philippa Stroud in 2018 to develop a new measure of poverty. Matthew Oakley, Secretariat to the Commission, said that when convened, a key purpose of the SMC had been to cut through "what at the time was quite a toxic political debate," which for several years seemed to focus more on which measurement of poverty to use, rather than on action to tackle poverty itself.[115] To do this, the SMC first outlined a set of key principles to inform its approach to work and how it discussed resources and needs. To inform the Commission's overall approach, it said its new poverty metric would balance "accuracy with simplicity"; that it would be sensitive to the depth and persistence of poverty; and that it would draw a clear distinction between indicators of poverty, the experience of

113 Q30
114 Q3
115 Q140

poverty, and the risk factors or drivers of future poverty.[116] The SMC's work is supported by the Government, which in 2019 announced it would begin to develop experimental statistics based on the SMC's metric of poverty.[117] This work was initially paused during the Covid-19 pandemic, however the Government announced its resumption in March 2023.[118] DWP published its first release of official statistics in consultation with the Social Metrics Commission on 18 January 2024.[119]

Proposals in evidence

60. We asked, as part of our call for evidence, "what principles should inform the design and delivery of the working-age benefit system."[120] Some of the most frequent answers related to fairness, transparency, inclusivity and respect.[121] Others spoke about principles such as poverty prevention and benchmarking benefits to needs.[122] The importance of co-production within the benefits system and basing decisions on evidence was also mentioned.[123] Domestic abuse charity Refuge suggested that a principle of safety should be incorporated into the design of benefits policy.[124]

61. In oral evidence, the principle of "fairness" was highlighted in relation to contributory-based benefits. Ryan Shorthouse, representing Bright Blue, said its research indicated many people believed "fairness is linked to what you have put in, and that awards should be linked," as in systems which utilise income protection. This was echoed by Iain Mansfield, Director of Research at the think tank Policy Exchange.[125]

62. In the distributed dialogues we organised (summarised at Annex Three), participants took part in a 'principles ranking' exercise, where they were asked to vote on two responses to the question, "what principles should guide the design and delivery of the working-age benefits system" (see Annex Four for a summary of the findings). Ten ideas were provided initially, selected from examples received in written evidence. Participants could then suggest their own principles to be voted on. 581 votes were cast by 27 individuals—participants added 28 of their own principles, with 38 principles voted on in total as part of this exercise. The top 10 principles were:

- Not everyone is the same and not everyone copes the same as another. Make the system less complicated and more inclusive;
- More attention to dignity required and less rigidity in the assessment process such as PIP. People's dignity is denied and people live in fear;
- Universal Credit should be replaced by a system more like Working Tax Credits where payments are made ahead of time and not in arrears;

116 Social Metrics Commission, A new measure of poverty for the UK (September 2018), p 17–19
117 DWP, 'New poverty statistics developed to help government target support,' 17 May 2019
118 Department for Work and Pensions, 'Development of a new measure of poverty: statistical note,' accessed 27 February 2024
119 DWP, ' Below Average Resources: developing a new poverty measure,' 18 January 2024
120 Work and Pensions Committee, 'Call for Evidence: Benefit levels in the UK,' accessed 31 January 2024
121 Z2K (BPI0009), Just Fair (BPI0008), and YMCA England & Wales (BPI0072)
122 Trades Union Congress (TUC) (BPI0086), New Economics Foundation (BPI0082)
123 Rethink Mental Illness (BPI0084), New Economics Foundation (BPI0082)
124 Refuge (BPI0058)
125 Q214

- The system needs to be based on care and compassion for all, seeing the humanity in everyone and treating people with respect;
- Dignity;
- Compassion;
- Accessibility and inclusion;
- A far more streamlined system that affords people and carers respect in the process and far less reliance on lay people or systematic points;
- Person-centred; and
- Fairness.

A word cloud generated from all 38 ideas was produced following the exercise and can be seen in Figure 1:

Figure 1: Word Cloud for benefit principles ranking exercise

Principles in the devolved administrations

63. When discussing principles, several witnesses, including Iain Porter, Senior Policy Adviser at the Joseph Rowntree Foundation (JRF), Dr Ciara Fitzpatrick, Academic Adviser, Northern Ireland Cliff Edge Coalition, and Professor Stephen Sinclair, Professor of Social Policy, Glasgow Caledonian University, drew our attention to the *Social Security (Scotland) Act 2018*.[126] The Act was highlighted as a positive example of how principles could be embedded into a social security system. James Taylor, representing Scope, commenting on the Act, said that a set of principles could also improve interactions between DWP and claimants.[127]

126 Q7 [Iain Porter], Q50 [Dr Ciara Fitzpatrick], Q46 [Professor Stephen Sinclair], see also Q8 [Peter Kelly]
127 Q95

64. The *Social Security (Scotland) Act 2018* sets out several principles which are to be reflected in the social security charter and regarded by the Scottish Commission on Social Security.[128] The principles are:

- Social security is an investment in the people of Scotland;
- Social security is itself a human right and essential to the realisation of other human rights;
- The delivery of social security is a public service;
- Respect for the dignity of individuals is to be at the heart of the Scottish social security system;
- The Scottish social security system is to contribute to reducing poverty in Scotland;
- The Scottish social security system is to be designed with the people of Scotland on the basis of evidence;
- Opportunities are to be sought to continuously improve the Scottish social security system in ways which put the needs of those who require it first; and advance equality and non-discrimination; and
- The Scottish social security system is to be efficient and deliver value for money.[129]

The Act also says that a court or tribunal in civil and legal proceedings may take regard of the principles when determining any questions which arise in proceedings, although a breach in principles does not in itself give rise to grounds for any legal action.[130]

65. In Wales, the Senedd's Equality, Local Government and Communities Committee recommended in its 2018 report, *Benefits in Wales: options for better delivery,* that the Welsh Government establish a coherent "Welsh benefits system" for the means-tested benefits for which it is responsible, and develop a set of principles to underpin its design and delivery.[131] The Welsh Government accepted the recommendation.[132] On 22 January 2024, the Welsh Government published its Welsh benefit charter, agreed to by all 22 local authorities in Wales. The charter sets out commitments to improve the design and delivery of an inclusive benefit system, and several 'Charter Outcomes'. The outcomes relate to increasing benefit take-up, poverty alleviation, improving outcomes for children and young people, and reducing the need for emergency aid such as food banks.[133]

66. The Bevan Foundation said the UK Government should follow the example of the Scottish and Welsh Governments by setting out principles to underpin the benefits system.

128 Social Security (Scotland) Act 2018, section 1
129 Social Security (Scotland) Act 2018, section 1
130 Social Security (Scotland) Act 2018, section 2
131 Equality, Local Government and Communities Committee, Benefits in Wales: options for better delivery (October 2019), p 6
132 Welsh Government (BPI0069)
133 Welsh Government, Welsh Benefit Charter (January 2024) p 6

The principles they highlighted related to dignity and respect, poverty reduction, human rights, designing the system with people and on the basis of evidence, and benefits as an investment in the people of the UK.[134]

Principles informing Government policy on benefit levels

67. In March 2021, as part of the Scottish Affairs Committee's inquiry into *Welfare policy in Scotland*, Will Quince MP, the then Minister for Welfare Delivery, said DWP's customer charter was not a "million miles of difference" away from the Scottish approach to principles.[135] DWP's Customer Charter provides standards against which customer delivery can be measured, and focuses on providing, "Right Treatment, Easy Access, Keeping you Informed and Getting it Right".[136]

68. Certain principles can be inferred from DWP responsibilities, priorities, and wider benefit policy: in particular, the principles of maximising employment, and providing financial support to those who need it.[137] Government policy on benefits also often refers to "fairness"—to claimants, to the taxpayer, and in relation to work.[138] This can be seen where it relates to reciprocity between DWP support and engagement from claimants to increase their earnings where possible. For example, the Secretary of State told us:

> I think that there is a contract between claimants who are fit and able to find work and the state. The state's part of that bargain is two things. One is to provide benefits and then, secondly, to provide assistance to help people into work.[139]

69. **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.***

Purpose

70. A second fundamental question is what is the purpose of the benefit system, or more specifically for our inquiry, what is the purpose of benefit payments. We define purpose as the reason for doing something, or the reason that something exists.[140] It is more focused in its intention than principles, but not as specific as objectives. Peter Kelly, Director of the Poverty Alliance said that to his mind, the purpose of the social security system had "never been pinned down".[141]

134 Bevan Foundation (BPI0040)
135 Oral evidence taken before the Scottish Affairs Committee on 18 March 2021 HC 889 (2021–22), Q179 [Will Quince MP]
136 Department for Work and Pensions, 'Summary DWP Customer Experience Survey: benefit customers 2020 to 2021,' accessed 31 January 2024
137 DWP, 'About us,' accessed 17 January 2024
138 *The aims of ten years of welfare reform (2010–2020)*, Briefing Paper 9090, House of Commons Library, December 2020
139 Q339
140 Cambridge Dictionary, 'Purpose,' accessed 14 February 2024
141 Q3

Departmental responsibilities and priorities

71. The Department for Work and Pensions has not clearly articulated what it sees as the purpose of benefit payments. It has however set out departmental responsibilities and priorities, which provide an indication:

- To help people move into work and support those already in work to progress, with the aim of increasing overall work participation;
- To help people to plan and save for later life, whilst providing a safety net for those who need it now;
- To provide effective, efficient and innovative services to millions of claimants, including the most vulnerable in society; and
- To improve the experience of DWP services, whilst maximising value for money to the taxpayer.[142]

DWP's priorities for April 2023 to March 2025 are:

- To maximise employment, reduce economic inactivity and support the progress of those in work;
- To provide financial support to people who are entitled to it;
- To enable disabled people and people with health conditions to start, stay and succeed in work, and to get financial support; and
- To support financial resilience in later life.[143]

Suggestions from evidence

72. It was widely assumed in written evidence that the purpose of benefits was to support claimants with living costs and to prevent them facing acute forms of financial hardship. Charities, such as homelessness charity St Mungo's, said the purpose of benefit levels should be "to provide a safety net that prevents people from falling into destitution".[144] The Children's Society said it should be "to ensure that individuals and families have enough to cover the essentials they need".[145]

73. Other evidence highlighted the role of benefits in supporting people whilst they were searching for work. The Wheatley Group, which is a housing, care, and property-management group in Scotland, said "The purpose of working-age benefits is to provide people with a decent standard of living while they seek to get into work.[146] Parkinson's UK said benefit levels should support claimants to manage their health conditions, and "where they can work, prepare to return to work".[147]

142 DWP, 'About us,' accessed 17 January 2024
143 DWP, 'About us,' accessed 17 January 2024
144 St Mungo's (BPI0047)
145 The Children's Society (BPI0052)
146 Wheatley Group (BPI0049)
147 Parkinson's UK (BPI0063)

74. Although poverty alleviation and prevention were key to many, several people who contributed to our inquiry advocated that benefit levels should enable participants to live with dignity. Marie Curie said benefits should enable "a decent quality of life", keeping "receipts above the poverty line" and should cover the "costs they are intended to cover".[148] This response was reflective of that of other organisations who represented people with long-term health conditions, disabilities and children. Sense, a national disability charity supporting people with complex disabilities, said that some people with complex disabilities might never be able to overcome barriers to employment, and that working-age benefits should recognise work is not the right outcome for everyone.[149]

What should be the objectives of benefits?

DWP core objectives and the 'trilemma'

75. The Department for Work and Pensions set out three core objectives in its Delivery Plan for 2021–22 (the latest plan publicly available), to help it achieve its mission "to improve people's quality of life, both now and in the future":

- To maximise employment and in-work progression;
- To improve people's quality of life; and
- To deliver excellent services for citizens and taxpayers.[150]

76. DWP's core objectives, and the question of how to balance what could otherwise be summarised as work incentives, living standards, and affordability, is a challenge we have been mindful of throughout our inquiry. It presents itself as a 'trilemma,' or the 'iron triangle' for welfare policymaking (see Figure 2). According to Richard Blundell, Professor of Political Economy at University College London, the trilemma suggests there are three, often conflicting goals, in welfare reform and setting benefit levels.[151]

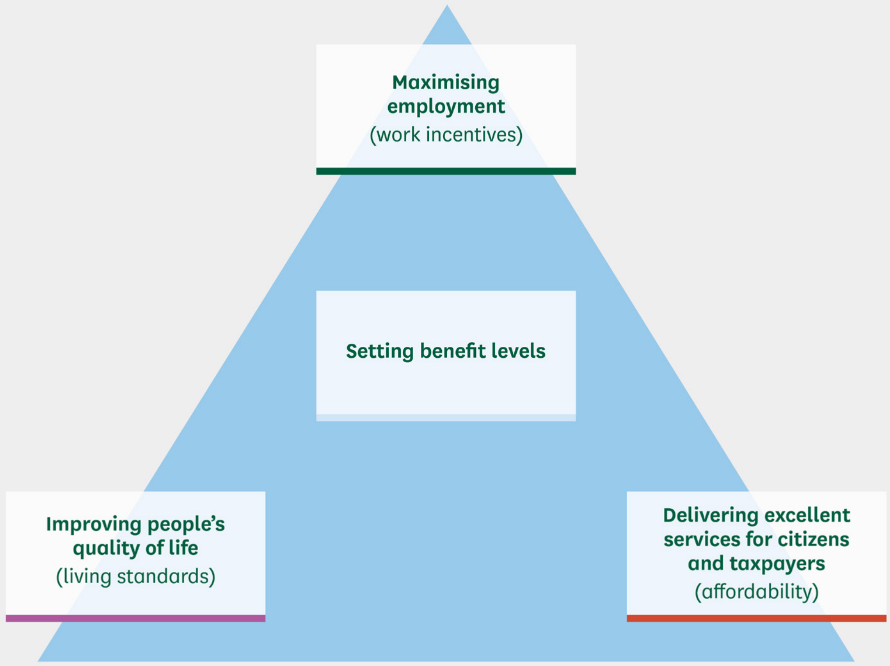
148 Marie Curie (BPI0045)

149 Sense (BPI0071)

150 Department for Work and Pensions, 'Department for Work and Pensions Outcome Delivery Plan: 2021 to 2022,' accessed 22 February 2024

151 The British Academy, Welfare-to-Work: Which Policies Work and Why (October 2016), p 15

Figure 2: The Trilemma



Source: considerations drawn from Department for Work and Pensions, 'Department for Work and Pension Outcome Delivery Plan: 2021 to 2022

77. The decision for policymakers is to decide what emphasis to place on each goal. Former Work and Pensions Secretary (2010–16), Rt Hon Sir Iain Duncan Smith MP, explained that affordability was the starting point:

> The reality is that Government start by what they can afford and then work backwards. . . Then the argument from the Department will be that there are certain basic levels that we are at and we don't want to go below them. We should not go below them because they will act as a disincentive and they will also make things tougher for people unnecessarily. There is a balance between whether or not that helps people focus more on work.[152]

The current Secretary of State told us that the process was "an inexact science" and that:

> there are the elements that I have already suggested on affordability, work incentives, poverty and so on that are important when I sit down and try in the best way that I can to come up with what I think is most appropriate, fairest and the right thing to do.[153]

78. Recent Governments have appeared to approach the trilemma by making explicit their focus on work incentives and affordability, and to make reference to living costs more implicitly, when describing how benefit levels are set. This has been done by making the case that it is too difficult to say what an adequate standard of living is; and by reasoning that by focussing on work incentives, living standards will rise as a consequence.[154]

152 Q107
153 Q331
154 Department for Work and Pensions (BPI0095)

An objective on living costs

79. Several organisations including the Royal National Institute of Blind People, the MS Society, Macmillan Cancer Support, St Mungo's and the Chartered Institute of Housing recommended that to improve the adequacy of benefit levels, the Government should set out clear objectives linked to living costs.[155]

80. DWP has not set out an explicit, measurable objective linking benefit levels to living costs. However, a direction of travel is implied in its sub-objectives to its "improving people's quality of life" core objective:

- To promote financial resilience and reduce poverty;
- To support people to meet the basic cost of living;
- To transform support for disabled people and people with health conditions to promote independent living and improve the customer experience; and
- To ensure financial security for all.[156]

Costing exercises

81. Governments have appeared to consider whether it is appropriate, or how exactly to set benefit levels with reference to living costs, since the introduction of the modern welfare state.[157] None however have agreed to a set methodology. Professor Whiteford, Professor in the Crawford School of Public Policy at the Australian National University and Donald Hirsch, Professor of Social Policy, Loughborough University, made the case that it would be possible to evaluate levels of payments and their adequacy by triangulating different methods.[158] Matthew Oakley said that if policymakers set out what benefit levels should achieve, "We can then design a way of achieving that in terms of measurement and applying that straightforwardly".[159]

Minimum Income Standards

82. If an objective for benefit levels was set, costing exercises could be used to inform how benefit levels are set. Organisations including Greater Manchester Poverty Action, abrdn Financial Fairness Trust, the Good Things Foundation and others pointed to work on Minimum Income Standards (MIS) developed by the Centre for Research in Social Policy (CRSP) at Loughborough University and funded by the JRF, to inform this process.[160]

83. Since 2008, the Minimum Income Standards research programme has produced an annual benchmark of what the public agrees is required to live with dignity in the UK,

155 Royal National Institute of Blind People (RNIB) (BPI0014), MS Society (BPI0022), Macmillan Cancer Support (BPI0028), St Mungo's (BPI0047) and Chartered Institute of Housing (BPI0066)
156 Department for Work and Pensions, 'Department for Work and Pension Outcome Delivery Plan: 2021 to 2022,' accessed 5 February 2024
157 *How benefit levels are set*, Research Briefing CBP 9498, House of Commons Library, April 202
158 [Donald Hirsch]] Q18, and [Professor Peter Whiteford] Q143
159 To note, Matthew Oakley answered in a personal capacity, and separately from his position as the Secretariat for the Social Metrics Commission. Q142
160 See for example, Greater Manchester Poverty Action (GMPA) (BPI0020), MS Society (BPI0022), abrdn Financial Fairness Trust (BPI0053), and Good Things Foundation (BPI0034)

calculated for different types of households.[161] This benchmark is determined through a detailed process of negotiation between socially mixed groups on the expenditure households require to reach an acceptable standard of living.[162] Work on MIS seeks to understand what someone needs to participate in society and afford essentials; it does not ask participants how much somebody should receive on benefits.[163] Donald Hirsch, Professor of Social Policy at Loughborough University, who was involved in the development of MIS, said that the MIS can therefore be a useful reference point in demonstrating differences in proportion of need, over time and between groups.[164] For example, the CRSP said its ongoing MIS research "identifies a growing gap" between the support provided through benefit levels and what is needed "to live with dignity in the UK".[165] It found that between 2008 and 2020, the percentage of the Minimum Income Standard covered by out-of-work benefits had decreased significantly. It fell from:

- 42% to 34% for a single working-age person;
- 42% to 32% for a working-age couple;
- 68% to 59% for a lone parent with two children aged 2–4 years; and
- 62% to 56% for a couple with two children aged 2–4 years.[166]

The Essentials Guarantee

84. An alternative costing exercise to MIS is the Joseph Rowntree Foundation (JRF) and Trussell Trust's 'Essentials Guarantee', which garnered widespread support in written and oral evidence. Iain Porter, Senior Policy Adviser at JRF, summarised the guarantee:

> That would be a legal guarantee to ensure that the basic rate of Universal Credit should always at least be enough, at a minimum for people to afford essentials while they recover from setbacks, and that there should also be a guarantee that various quite arbitrary deductions that exist in the system and take away from that basic rate should never pull support below what people need for the essentials.[167]

85. To establish what an 'essentials guarantee' might look like, JRF and the Trussell Trust conducted research on the costs of essential items. 'Essential items' constituted food and non-alcoholic drinks, electricity and gas, water, clothes and shoes, communications (phones, internet and postage), travel, and sundries (toiletries, haircuts, cleaning materials, and bank charges). The research drew on ONS spending data for low-income households and included input from a series of focus groups. The exercise found a "conservative estimate of costs" for the minimum required to afford essentials would be at least £120 per week for a single adult or £200 for a couple, which left a shortfall of £35 or £66 respectively, when compared to the standard allowance of Universal Credit from April 2023.[168]

161 The Centre for Research in Social Policy, Loughborough University (BPI0036)
162 Joseph Rowntree Foundation, A Minimum Income Standard for the United Kingdom in 2023 (September 2023) p 2
163 Q18
164 Q18
165 The Centre for Research in Social Policy, Loughborough University (BPI0036)
166 The Centre for Research in Social Policy, Loughborough University (BPI0036)
167 Q3
168 Joseph Rowntree Foundation, An essentials guarantee (February 2023), pp 15—16

86. Iain Porter acknowledged that the inherent variability in people's needs meant there would be a range of figures for what people thought was required.[169] He said public engagement would therefore be a crucial part of any process used to determine an 'essentials guarantee' level. Polling conducted by the JRF and Trussell Trust indicated that 72% of the public supported the Essentials Guarantee and 8% opposed it.[170]

Minimum Income Guarantee

87. In Scotland, work is underway to develop a Minimum Income Guarantee, which would influence how benefit levels are set. It was referenced in evidence by the Scottish Government, abrdn Financial Fairness Trust and others.[171] The Minimum Income Guarantee would be an "assurance that no one will fall below a set income level that would allow everyone to live a decent life," delivered through a series of measures, including targeted benefit payments, improvements to social security, and changes to the world of work.[172] The Scottish Government said it intended the Minimum Income Guarantee to sit "somewhere between the relative poverty line and the Minimum Income Standard," which was expected to be higher than current benefit payments.[173]

88. Following the 2021 Scottish Parliament elections, a Steering Group was formed to consider the design of the Minimum Income Guarantee. In March 2023, the group published an interim report which set out its initial findings, and key actions to help achieve a Minimum Income Guarantee.[174] The Expert Group is expected to publish a full report in 2024.[175]

89. **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.***

169 Q4
170 Joseph Rowntree Foundation, An essentials guarantee (February 2023), p 5
171 Scottish Government (BPI0090), abrdn Financial Fairness Trust (BPI0053), Q54 [Professor Stephen Sinclair], Q27 [Donald Hirsch], and Q8 [Peter Kelly]
172 Scottish Government, 'Minimum Income Guarantee Expert Group: interim report,' accessed 2 February 2024
173 Scottish Government, 'Minimum Income Guarantee Expert Group: interim report,' accessed 2 February 2024
174 Scottish Government, Minimum Income Guarantee Expert Group Interim Report (March 2023), p 8
175 Scottish Government, Social security in an independent Scotland (January 2024), p 47

90. ***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.***

Policy objectives for extra-cost benefits

91. Disability charities, including Scope and the Royal National Institute of Blind People, suggested that in the light of evidence that many health and disability benefit claimants cannot afford the costs associated with their condition, benefits such as PIP should be set with reference to these costs.[176]

92. DWP has been clear that PIP payments are intended to act as a contribution towards the extra costs associated with a health condition or disability.[177] It has not been clear, however, on how far PIP payments should cover these extra costs, or if the Department has any objectives in mind which relate to how payment rates are set. In evidence to us, the Secretary of State acknowledged that the extent that health and disability related costs were covered would vary between claimants.[178] He added that it would be an "immensely complicated bureaucratic process if one were to look at every single individual, work out exactly what they need and calibrate the exact amount to cover it".[179]

Costing-exercises for health and disability benefits

93. Despite the Secretary of State's comments, others including Greater Manchester Poverty Action, the Disability Benefits Consortium, Public Health Scotland, the abrdn Financial Fairness Trust and Disability Rights UK, recommended that the Government should adopt aspects of MIS methodology to set a benchmark against which extra-cost benefits could be compared, or to help inform the processes by which they are set.[180] For example, the New Economics Foundation used MIS as a comparable baseline to assess benefit levels in their written evidence and estimated that in 2021 PIP "covered only 36% of the additional income a disabled person required to afford a decent standard of living".[181]

94. Katherine Hill, Research Fellow at the Centre for Research in Social Policy at Loughborough University, led a series of studies from 2015 to 18 which looked at the additional needs and costs faced by people who are visually impaired, using MIS methodology.[182] One of her reports found that in 2017 a person who was sight impaired and a person who was profoundly deaf would have required budgets of 25% and 82% higher compared to someone without such an impairment.[183] She told us that using MIS methodology during this project was advantageous in how it provided a clear insight into

176 See, for example. Scope (BPI0094) and Royal National Institute of Blind People (RNIB) (BPI0014).
177 Department for Work and Pensions (BPI0095)
178 Qq355–356
179 Q356
180 Greater Manchester Poverty Action (GMPA) (BPI0020), Disability Benefits Consortium (BPI0029), Public Health Scotland (BPI0030), abrdn Financial Fairness Trust (BPI0053)Disability Rights UK (DR UK), and (BPI0054)
181 New Economics Foundation (BPI0082)
182 Centre for Research in Social Policy Loughborough University, 'Minimum Income Standard for People with Visual Impairment,' accessed 2 February 2024
183 Centre for Research in Social Policy Loughborough University, 'Minimum Income Standard for People with Visual Impairment,' accessed 2 February 2024

the costs incurred by claimants, and why those costs were important. Ms Hill recognised it would be impractical to replicate this study across all types of disability, but the principles and evidence could help inform thinking in this area.[184]

95. Tom Pollard, Head of Policy at the New Economics Foundation, suggested that a middle ground between personalised cost assessments—which he acknowledged would not be possible—and the current system would be to reintroduce more gradation to the level of support provided through extra-cost benefits. When DLA was replaced by PIP, the lower rate of care was removed which resulted in some claimants receiving more support, and others losing eligibility altogether.[185]

96. The Government committed in its 2021 National Disability Strategy that the Department for Business, Energy and Industrial Strategy (BEIS) and Cabinet Office would set up an Extra Costs Taskforce "to better understand the extra costs faced by disabled people, including how this breaks down for different impairments—by summer 2022".[186]

97. Progress on the National Disability Strategy was paused following a High Court Judgment in January 2022 that the strategy was unlawful due to failures in the consultation process.[187] The Government appealed against the Judgment and on 11 July 2023 the Court of Appeal found in the Government's favour. On 5 February 2024 the Government published its Disability Action Plan. It reiterated its intention to establish an Extra Costs Taskforce, which would:

> bring together disabled people, regulators and business to better understand the extra costs disabled people face in their everyday lives.
>
> The Disability Unit will also ensure that consultation findings relating to the impact of the cost of living on disabled people are shared with the relevant government departments, so that they can be used to inform policy development.[188]

Rethink Mental Illness recommended the Taskforce be used to ensure benefit levels more accurately reflect the costs faced by people living with mental illness and other disabled people.[189]

98. **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.**

99. **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.**

184 Q278
185 Q279
186 DWP, National Disability Strategy (publishing.service.gov.uk), p.72.
187 UIN HCWS930 National Disability Strategy Update [Commons written ministerial statement]
188 Disability Unit, 'Disability Action Plan,' accessed 7 February 2024
189 Rethink Mental Illness (BPI0084)

100. **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.***

101. **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.***

4 Benefit uprating: Procedure and scrutiny

102. In this chapter, we consider the merits of annual uprating of benefits, and whether any aspects of the uprating procedure could lead to unintended consequences for benefit levels. First, we examine the processes used to uprate working-age benefits, such as Universal Credit and Local Housing Allowance. We then consider whether at present there is adequate opportunity for Parliament and stakeholders to scrutinise Government decision-making on benefit uprating.

Benefit uprating procedure

103. The Secretary of State for Work and Pensions is required by Section 150(1) of the *Social Security Administration Act 1992* (as amended) to review benefit levels each year to determine whether they have retained their value in relation to prices.[190] Following a review, the Secretary of State is required to present a draft Uprating Order to Parliament which sets out the amount benefits will be increased by. Under the 1992 Act, the following benefits must be increased at least by the level of prices: Disability benefits (PIP, DLA and Attendance Allowance); Carer's Allowance; Incapacity Benefit; Severe Disablement Allowance; Industrial Injuries Disablement Benefit; Additional State Pension; and Guardian's Allowance (by HMRC). The draft Uprating Order can also be used to uprate other benefits, such as Universal Credit, 'New Style' Jobseeker's Allowance, 'New Style' Employment and Support Allowance, and Income Support, although there is no statutory requirement to do so.

104. The *Social Security Administration Act 1992* (as amended) requires the benefit Uprating Order to be applied by the week beginning with the first Monday of the tax year, or by an earlier date in April as specified by the order.[191] To enable this application, uprating decisions are input into DWP IT systems by the last weekend in November to ensure that the new payment rates come into force on time. This is because of the time needed by the IT systems used to uprate legacy benefits.[192]

105. The Secretary of State lays the benefit Uprating Order before Parliament to enable a debate in what is typically the February/March of the calendar year they are to be uprated, at which point they will be debated in both Houses.[193] The Uprating Order is a Statutory Instrument (SI) subject to the affirmative procedure, which means it must be approved by Parliament to become law. SIs cannot be amended or adapted in either House: they can only be accepted or rejected in their entirety. Consequently, should Members seek to challenge the Government's decision on benefit uprating by pushing the Uprating Order to a vote, and the SI be rejected, there would not be time for the Government to input an alternative decision into DWP IT systems. It would then not be possible for benefits to be uprated in the April of that financial year.

190 Social Security Administration Act 1992 (as amended), section 150(1)
191 Social Security Administration Act 1992 (as amended), section 150(10)
192 Third Special Report - The cost of living: Government Response to the Committee's Second Report of Session 2022–23
193 Benefit Up-rating Order 2024 was laid on 15 January 2024 and debated in the Commons on 31 January 2024. See HC Deb, 31 March 2024, col 929 [Commons Chamber] From financial year 2016–17 to 2023–24, debate in the both Houses of Parliament have taken place in February or March.

106. These Uprating Orders apply in Great Britain, except for Attendance Allowance, Carer's Allowance, Disability Living Allowance, Industrial Injuries Benefits, Personal Independence Payment and Severe Disablement Allowance, which the Order sets for England and Wales only. The Scottish Government is responsible for setting the rates of these and their equivalent benefits in Scotland. In Northern Ireland, the Department for Communities is responsible for making uprating provisions which correspond to the DWP order, subject to the agreement of the Northern Ireland Assembly.

107. During our inquiry, we heard concerns from the Joseph Rowntree Foundation and the Trussell Trust, the Chartered Institute of Housing, Leonard Cheshire, and the MS Society, among others, that there is not sufficient opportunity for parliamentary scrutiny of benefit uprating.[194] Z2K said this was because of the procedure used to agree uprating orders, which meant:

> any objection would risk any planned uprating being cancelled altogether, which makes a vote a very high-risk procedure where Parliament does not consider a proposed rise sufficient.[195]

108. We asked the Secretary of State whether uprating benefits in this manner was appropriate. He explained that the Department was constrained in its approach because the process involved interactions with other bodies, including local government and the Treasury. The Secretary of State also explained it was "quite complex" to get "it all together with all the information having gone through the uprating process and its conclusion by the end of November."[196] This however suggests that, although DWP must engage with several organisations to prepare Uprating Orders, a crucial part of this process is still concluded by the end of November.

109. **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.***

Autumn Statement 2023

110. The Government announced its latest decisions on uprating during Autumn Statement 2023, where it confirmed that working-age benefits would be uprated in April 2024 using the September 2023 inflation rate of 6.7%.[197] Universal Credit Standard Allowance rates, including for 2024–25, are set out in Table 4.

194 Joseph Rowntree Foundation, Trussell Trust (BPI0062), Chartered Institute of Housing (BPI0066), Leonard Cheshire (BPI0070), and MS Society (BPI0022)

195 Z2K (BPI0009)

196 Qq334–335

197 HMRC, Autumn Statement 2023, 22 November 2023

Table 4: Universal Credit allowances in 2024–25

Claimant	2023–24 rate (monthly)	2024–25 rate (monthly)
Single person aged under 25	£292.11	£311.68
Single person aged 25 and over	£368.74	£393.45
Joint claimants, both under 25	£458.51	£489.23
Join claimants, both over 25	£578.82	£617.60

Source: House of Commons Library, Benefit uprating 2024/25, 30 November 2023.

111. The Government also announced that from April 2024, Local Housing Allowance rates would be increased to the 30th percentile of local market rent areas for 2024. DWP published Indicative Local Housing Allowance rates for 2024–25 on 9 January 2024.[198] The announcements made were well received across the welfare and housing sectors, and across the political spectrum.[199] However, organisations such as the Resolution Foundation highlighted that benefits will still not regain their pre-pandemic value until April 2025.[200]

112. The absence of a statutory requirement to annually uprate all working-age benefits means that each year, there is speculation, analysis and campaigning from stakeholders concerned with what benefit levels will be. Ahead of Autumn Statement 2023, many groups and organisations—as well as the Committee—called on the Government to uprate benefits in line with September's CPI and to relink LHA to the 30th percentile of rents.[201]

113. **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.**

Impact of benefit uprating procedure

114. Whilst announcements made in Autumn Statement 2023 are significant, our intention in this inquiry has been to consider the impact of benefit uprating procedures on levels more broadly, rather than in any one year. Uprating decisions and rules compound over time, and in doing so can substantially change the value of benefits over the longer term.[202] As Robert Joyce from the Institute for Fiscal Studies told us, "uprating is the key thing. You can do whatever you want to do in year 1, but after that everything depends on how you uprate stuff".[203] For example, we can see the effect of uprating policy on benefit levels if we compare the real terms value of unemployment benefits to the basic State Pension. In October 1973, unemployment benefits and the basic State Pension were

198 DWP, Indicative Local Housing Allowance rates for 2024 to 2025, 9 January 2024 (accessed 11 January 2024).

199 See for example, Policy in Practice, 'Autumn Statement 2023: A step forward after many steps back,' accessed 8 February 2024; and Bright Blue, 'Bright Blue: Some good steps, but Tories need great strides to turn things around,' accessed 8 February 2024

200 Resolution Foundation, A pre-election Statement, p 32

201 See for example, Citizens Advice, 'Benefits must rise in live with inflation at the 2023 Autumn Statement,' accessed 20 February 2024; and Child Poverty Action Group, 'Families will be substantially worse off than 5 years ago if benefits rise below inflation,' accessed 20 February 2024; and Correspondence to the Secretary of State for Work and Pensions and the Chancellor of the Exchequer relating to uprating decisions: Working age benefits

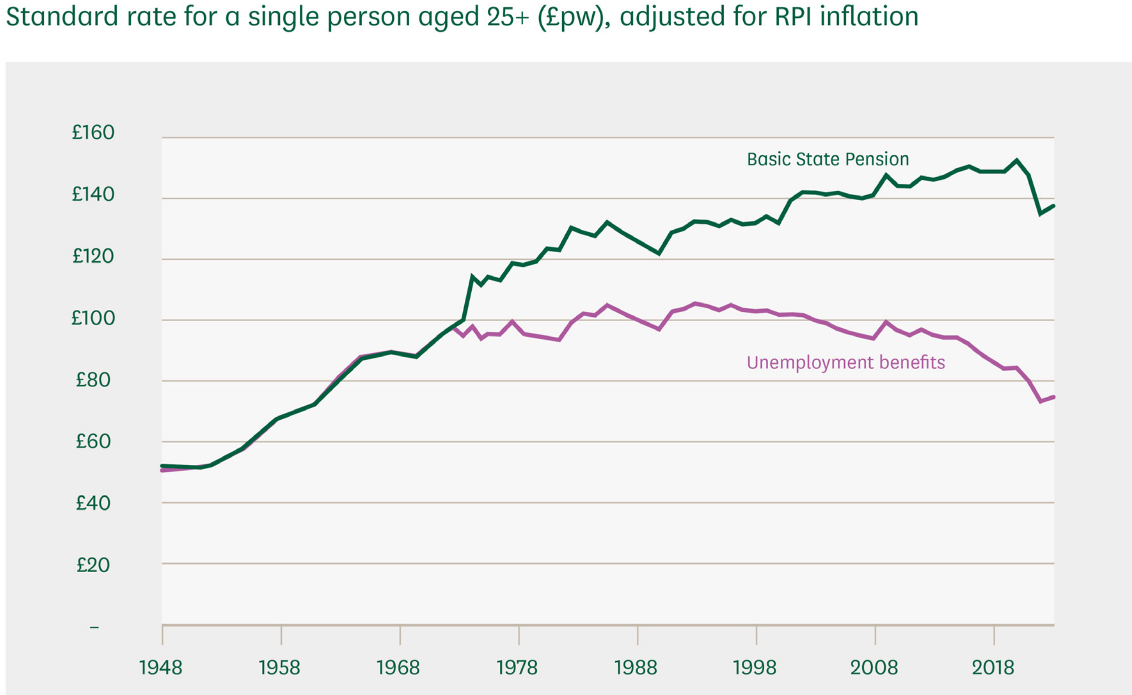
202 *Benefits uprating 2023*/24, Research Briefing 9680, House of Commons Library, December 2023, p 27

203 Q3

paid at the same rate. Over time, however, differences in uprating procedure have led to a significant divergence in their value. In 2024–25, the basic State Pension will be £169.50 a week, whereas New Style Jobseeker's Allowance is £90.50 a week.[204]

115. The Secretary of State has a statutory requirement to uprate pensioner benefits annually. The Basic State Pension, New State Pension and the Standard Minimum Guarantee in the Guarantee Credit element of Pension Credit must all be uprated at least in line with earnings, whereas the Additional State Pension must be uprated at least in line with prices.[205] The Secretary of State can also uprate other elements in Pension Credit by a percentage they see fit under Section 5 of the *Pensions Act 2007* but there is no statutory duty to do so.[206] Beyond this statutory requirement, the Government is also committed to uprating basic and new State Pension every year by the highest out of earnings growth, inflation, or 2.5 percent. The 'triple lock' or 'triple guarantee' was first implemented in financial year 2011–12 and has been applied every year since, excluding a temporary suspension in 2022–23. The effect has been to increase the value of State Pensions relative to earnings at a level not seen since 1980.[207] Figure 3 shows how the value of unemployment benefits and State Pension have changed over time.

Figure 3: Real value of unemployment benefit and basic State Pension



Source: House of Commons Library analysis of Department for Work and Pensions, 'Abstract of DWP benefit rate statistics,' accessed 18 January 2024; Office for Budget Responsibility, 'Economic and fiscal outlook - November 2023,' accessed 18 January 2024; and Office for National Statistics, 'RPI All Items: Percentage change over 12 months: Jan 1987=100,' accessed 18 January 2024

204 *Benefit uprating 2023/4*, Research briefing 9680, House of Commons Library, November 2023

205 Social Security Administration Act 1992, section 150A; Social Security Administration Act 1992, s150 (1); Pensions Act 2014, Sch 12 (19); and Pensions Act 2007 (s5)

206 Pensions Act 2007 (s5)

207 *State Pension triple lock*, Research Briefing 7812, House of Commons Library, November 2023

The impact of consistent annual uprating

116. Although the Government is not required to uprate all benefits annually in line with prices, historically, the Secretary of State has exercised his or her discretion to provide an increase.[208] However, between 2010 and 2015, the Government introduced several changes to benefit uprating procedure. This included decisions at Autumn Statement 2012 and Spring Budget 2015 to under-index or freeze benefit levels.[209]

117. The Joseph Rowntree Foundation and the Trussell Trust said in written evidence to us that the basic rate of Universal Credit is now at its lowest ever level as a proportion of average earnings and its lowest level in real terms in almost 40 years.[210] Several organisations, including Z2K, Marie Curie, The Children's Society, Child Poverty Action Group, the Welsh Government, the New Economics Foundation and the Trades Union Congress, all linked these historically low levels to the cuts and freezes implemented by Governments.[211] Analysis from Policy in Practice following Autumn Statement 2023 also said that the real terms value of benefit levels has decreased by 8.8% since 2012 as a result of benefit freezes.[212] These organisations, amongst others, recommended that benefit levels be uprated on an annual basis to prevent levels being further eroded over time.

118. Sir Iain Duncan Smith MP and Deven Ghelani, Director of Policy in Practice, who authored reports on Universal Credit whilst a Senior Researcher at the Centre for Social Justice, and is often referred to as one of the 'architects' of Universal Credit, argued that the Government's decision not to uprate benefits in line with prices for several years was unusual, and one with significant outcomes. Sir Iain said:

> One difference, following the financial crisis, was that the freeze that went in had not been done before, certainly over that time. One of the reasons why I eventually resigned was over the fact that I thought we had gone too far.[213]

Mr Ghelani said:

> I remember in 2015 when cuts were put in place by the coalition Government, there was a general view that social security had been cut to the bone. It was most striking and surprising—I should not be surprised by this anymore but I still am—that there were further cuts to come in 2015 onwards.[214]

Sir Iain and Mr Ghelani described pressures on the Government to reduce benefits at this time, because changes in earnings compared to CPI meant benefits would have otherwise increased at a faster rate than earnings. Mr Ghelani said it would have been preferential if benefit uprating procedure had been consistent, even when prices were higher than earnings, because this would have allowed benefit levels to even out over time.[215]

208 House of Commons Library, 2010 Benefit Uprating, 18 February 2010. For further details, also see House of Commons Library, How benefit levels are set, 14 April 2022.
209 HM Treasury, Autumn Statement 2012, 5 December 2012 and HM Treasury, Summer Budget 2015, 8 July 2015.
210 Joseph Rowntree Foundation, Trussell Trust (BPI0062)
211 Z2K (BPI0009), Marie Curie (BPI0045), The Children's Society (BPI0052), Child Poverty Action Group (BPI0065), Welsh Government (BPI0069), New Economics Foundation (BPI0082) and Trades Union Congress (TUC) (BPI0086)
212 Policy in Practice, Autumn Statement 2023: Uprating benefits—the long view, 27 November 2023.
213 Q97
214 Q114
215 Q116

119. The current Secretary of State seemed to agree with this argument of fairness, saying to us: “there is an element of fairness to the consistency. In other words, it is right that you stick with where the anchor is in that sense”.[216]

Use of CPI

120. The Government can choose which measure of prices it uses to uprate benefits under the *Social Security Administration Act 1992* (as amended).[217] From 1974, benefits were historically uprated in line with Retail Price Index (RPI), the Rossi index, or New Rossi, which meant the real value of benefits remained stable.[218] The Coalition Government announced in Spring Budget 2010 that it would switch from using RPI to CPI to index all benefits, tax credits and public service pensions from April 2011. The level of inflation measured by CPI is usually lower than RPI, and the move to using CPI was forecast to save £5.8 million.[219] The then Government argued that:

- RPI overstated inflation;
- CPI covered a more comprehensive population; and
- CPI was less influenced by changes in mortgages rates.[220]

More recently, the use of CPI has been linked to the benefit uprating timetable as it is the latest figure of inflation available to the Government, so reduces the lagged effect of uprating taking place (we describe this dynamic in paragraph 127).[221] The Resolution Foundation estimated in its December 2023 report, *Ending stagnation: A New Economic Strategy for Britain*, that the technical decision to use CPI over RPI since 2010 had reduced the incomes of the poorest fifth of households by £2,700 a year.[222]

121. Witnesses pointed out that indexing benefits with CPI would still lead to a reduction in the net replacement rate of unemployment benefits over the long-term. Devan Ghelani explained:

> You can argue whether the basic premise of uprating, of uprating by CPI, is right or wrong but, over a longer period of time, benefits will fall behind wages, which in a sense will increase relative income poverty because median earnings will go up and benefit rates will stay the same.[223]

Robert Joyce, Deputy Director and Head of the Income, Work and Welfare sector, Institute for Fiscal Studies, and Professor Ashwin Kumar, Manchester Metropolitan University, also remarked that uprating in line with prices would lead to an eventual downwards drift in benefit levels over time.[224]

216 Q334
217 Social Security Administration Act 1992 (as amended), section 150(1)
218 Department for Work and Pension, ‘Abstract of DWP benefit rates statistics 2022,’ accessed 5 February 2024
219 Department for Work and Pension, ‘Abstract of DWP benefit rates statistics 2022,’ accessed 5 February 2024 and HM Treasury, ‘Budget June 2010,’ (June 2010), p 40
220 Analysis of the relative suitability of the Retail Prices Index and the Consumer Prices Index for reflecting cost of living increases for pensioners, DEP2011–0011, House of Commons Deposited Paper, January 2011
221 Written questions and answers - Written questions, answers and statements - UK Parliament
222 Resolution Foundation & Centre for Economic Performance, LSE, Ending Stagnation: A New Economic Strategy for Britain, Resolution Foundation (December 2023), p 204
223 Q116
224 Q3, Q23

122. **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.***

123. ***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.***

Thresholds, allowances and caps

124. The sum of benefits a claimant can receive is often limited by thresholds, allowances and caps in the benefit system. In the scoping session for this inquiry, Nichols Timmins, Senior Fellow at the Institute for Government, cautioned that because these thresholds were not regularly uprated, there could be a "steady drift of the system always getting meaner and meaner".[225] He provided the example, that if the capital limit rule for Universal Credit, which is £16,000, had been consistently uprated, it would now be over £25,000. Robert Joyce from the Institute for Fiscal Studies also discussed asset rules in the context of uprating procedure. He said that where the decision to introduce a threshold might have been reasonable when introduced, if frozen in nominal terms indefinitely, "it presumably at some point will not be reasonable".[226] Examples of these thresholds, limits and caps are:

- **Capital limit rules:** these allocate an income to claimants based on the amount of capital (money, savings and investments) the claimant holds. For most working-age benefits, any capital held above a lower limit of £6,000 results in a "tariff income", where £1 of income per week is assumed as an additional £250 of capital, and reduces the level of benefit paid. Households with capital above £16,000 will not be eligible for means-tested support, such as Universal Credit. There is no requirement for the Secretary of State to regularly uprate capital limit rules, and instead, the limit has been increased on an ad-hoc basis since being introduced. The capital limit was last increased in 2006, when the lower limit was increased from £3,000 to £6,000 and the upper limit was increased from £8,000 to £16,000.[227]

- **The benefit cap**: this limits the amount of money some claimants can receive in benefits. The Work and Pensions Secretary of State is obliged to review the level of the benefit cap at least once every five years.[228] Since being introduced in 2013, the Government has increased the cap only once: in April 2023, when it was uprated in line with inflation.[229]

- **The earnings limit:** the earnings limit in Carer's Allowance (CA) prevents carers from earning over £139 a week after deductions, to be eligible for CA. As a result, when the National Minimum Wage increases, unpaid carers are more likely to

225 Q24
226 Q6
227 *How benefit levels are set,* Research Briefing 9498, House of Commons Library, April 2022
228 *Welfare Reform Act 2012*, section 96A
229 Department for Work and Pensions, 'Benefit and pension rates 2023 to 2024,' accessed 27 February 2024

be pushed above the earnings limit and lose support. There is no requirement for the Government to regularly uprate the earnings limit. However as Tom Pursglove MP, the then Minister for Disabled People, Health and Work, said in answer to a written question in January 2023, the Government keeps it "under regular review and increases it when it is warranted and affordable". The last increase was in April 2023, when it was increased from £132 to £139.[230]

125. Charities, think tanks and advocacy organisations have called on the Government to regularly review and increase the different caps, limits and thresholds in the benefit system. For example, Policy in Practice and Citizens Advice argued that the benefit cap should be uprated each year in line with inflation, to prevent households experiencing a real-term cut to the support they receive.[231] Carers UK said the number of hours carers have been able to work alongside receiving CA has reduced from under 15 hours a week in 2019 to roughly 13 hours and 20 minutes in April 2023 due to changes in the National Living Wage, and therefore recommended that the earnings threshold be automatically increased alongside the National Living Wage.[232]

126. **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.***

Uprating timeline

127. Under usual practice, when and if working-age benefits are uprated in April each year, they are increased with reference to the previous September's CPI inflation figure. The Bank of England said this means "there is a lag of up to 18 months in terms of how quickly benefit rates reflect changes in inflation," (accounting for the 12 month to September period used to calculate September CPI, plus a further six months to account for period between the uprating decision and implementation date), which in turn can lead to a temporary decrease or increase in living standards.[233] In April 2022 for example, benefits were uprated using the previous September's CPI inflation figure of 3.1%. When the change came into effect, inflation had increased to 9% meaning unemployment benefit experienced their greatest fall in value since annual uprating began in 1972, according to analysis by the Joseph Rowntree Foundation.[234]

128. Throughout our inquiry, we heard that recent inflationary pressures, combined with historically low benefit levels have made it more difficult for claimants to afford the cost of essentials. Organisations such as Greater Manchester Poverty Action, Scope, Macmillan

230 PQ 1146 8 on Carer's Allowance: Uprating, 20 December 2022

231 Policy in Practice, 'Mind the benefit cap: why families are still falling through our welfare system,' accessed 27 February 2024; and Citizens Advice, 'Benefits must rise in line with inflation at the 2023 Autumn Statement,' accessed 27 February 2024

232 Carers UK, 'Unpaid carers in employment forced to reduce their hours or risk losing vital benefit - Carer's Allowance,' accessed 27 February 2024

233 Office for Budget Responsibility, Benefit uprating during and after recessions, May 2022.

234 Joseph Rowntree Foundation, Fifty years of benefit uprating (April 2022). p 1

Cancer Support and the Children's Society therefore recommended that the Government reduce the reference period between the measure of inflation used, and the time at which the decision is actually implemented.[235]

129. We considered the impact of the uprating reference period on benefit levels in our July 2022 report, *The Cost of Living*, where we recommended that the Government reduce the time between the inflation reference period used and the uprating implementation date to improve benefit uprating procedure.[236] The Government said in response that it could not shorten the reference period because the DWP IT system used to uprate legacy benefits required several months to action input commands.[237]

130. Although peaks and troughs might even out over subsequent years, drastic changes to the cost of prices have an immediate impact on benefit claimants with limited savings and/or the ability to increase their earnings quickly. This is especially the case for people with a low income who spend proportionally more on essentials such as food, utilities and housing. During the recent period of high inflation, to respond to this challenge, the Government brought forward several measures to support low-income households, namely its Cost of Living Payments and the Household Support Fund. Mims Davies MP, the then Minister for Social Mobility, Youth and Progression, said in oral evidence to our *Cost of living support payments* inquiry that additional support was made as a "bridging payment," because "uprating was not due until April 2023 and inflation was changing at that point".[238] In the same session, Minister Davies said the Household Support Fund (HSF) served to help people who required essentials, but who might have missed out on the cost of living payments, or for whom those payments were not sufficient. She said HSF was "drawn up with those circumstances in mind" and therefore acted as a "safety net".[239]

131. Additional support provided to households through the Government's cost of living support package is due to come to an end in 2024. In February 2024, eligible households were paid their third and final cost of living payment, totalling up to £900 for households who were eligible for each payment.[240] Further, the Household Support Fund, which was first announced on 30 September 2021, has been extended several times. In March 2024, over 170 council leaders sent a joint letter to the Chancellor of the Exchequer, calling on him to extend the Household Support Fund for at least one more year. The letter said the HSF had provided a "vital safety net for residents who are struggling to afford the essentials and are facing financial crisis," and that local services were experiencing record demand for local welfare support.[241] Responding to these calls and others, the Government announced in Spring Budget 2024 that it would provide an additional £500 million over a further six months to extend the HSF, to enable it to continue from April to September 2024.[242]

235 Greater Manchester Poverty Action (GMPA) (BPI0020), Scope (BPI0094), Macmillan Cancer Support (BPI0028), and The Children's Society (BPI0052)
236 Work and Pensions Committee, Second Report of Session 2022–23, The cost of living, HC 129, para 24
237 Work and Pensions Committee, *Third Special Report of Session 2022–23,* The cost of living: Government Response to the Committee's Second Report of Session 2022–23, HC 671
238 Oral evidence taken on 5 July 2023, HC (2023–24) 1277, Q80 [Minister Davies]
239 Oral evidence taken on 5 July 2023, HC (2023–24) 1277, Q93 [Minister Davies]
240 Department for Work and Pensions, 'Eight million households to receive £2 billion Cost of Living Support,' accessed 11 March 2024
241 Local Government Association, 'Open letter to the Chancellor: Council leaders call for the Household Support Fund to be extended,' accessed 11 March 2024
242 HM Treasury Spring Budget 2024 (March 2024), p. 77

132. Organisations such as the Trussell Trust and Citizens Advice welcomed the Government's plans to extend the HSF, however, they questioned why it had been extended for only six months. Citizens Advice said, "we're expecting this year to be just as tough, if not worse, than the last 18 months".[243] The Trussell Trust echoed this, and highlighted the crucial role of HSF in providing support to households that faced sudden financial crisis, such as an unexpected cost or income shock. The Trussell Trust said that by extending the HSF by just six months, councils had "very little opportunity to plan effectively" and target those most in need.[244] We heard similar testimony in a one-off evidence session we held on the Household Support Fund in April 2023. Councillor Peter Marland, Leader of Milton Keynes City Council, Steven Edwards, from Devon County Council, and Stephen McGinnes, Director of Support and Collections, London Borough of Barking and Dagenham, said the short-term nature of funding announcements for HSF made it difficult for councils to plan how best to use their funding allocations.[245]

133. **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.***

134. **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.***

Local Housing Allowance

135. Local Housing Allowance (LHA) is the rate which determines the amount of support available to claimants in the private rented sector who are in receipt of Housing Benefit or the housing cost element of Universal Credit. DWP uses information provided by the Valuation Office Agency and LHA is calculated with reference to the size of property a household is entitled to, and private market rents being paid by tenants in a Broad Rental Market Area (BRMA).[246]

Local Housing Allowance: key dates and changes

136. The plan to introduce a new "standard local housing allowance for private renters" was first announced by then Secretary of State for Work and Pensions, Rt Hon Andrew Smith, in October 2002, to "offer greater simplicity and certainty for tenants and landlords".[247] LHA came into effect from April 2008 following testing in various areas, and initially was based on median rates within each BRMA.

243 Citizens Advice,' Citizens Advice responds to Budget 2024,' accessed 11 March 2024
244 Trussell Trust, 'Our Response of the Spring Budget,' accessed 11 March 2024
245 Oral evidence taken on 27 April 2023, HC (2022–23) 1273 Q 74
246 Valuation Office Agency, 'Local Housing Allowance (LHA) rates,' accessed 13 March 2024
247 HC Deb, 17 October 2002, col 478 [Commons Chamber]

137. The rate of LHA has varied in recent years. At Spring Budget 2010, the Coalition Government announced that LHA rates would be set at the 30th percentile of BRMAs from 2013. The Government also said it would introduce national caps for LHA for different size properties; and that from 2013–14, LHA rates would be uprated in line with CPI.[248] An uprating cap of 1% was in place in 2014–15 and 2015–16, and LHA was frozen from 2016–17 for four years.[249] Due to the financial pressures as a result of the pandemic, LHA was reset to the 30th percentile in 2020–21.[250] There had been no changes since then until the announcement at Autumn Statement 2023 that rates would be reset to the 30th percentile of BRMAs in 2024–25.[251] The decision at Autumn Statement 2023 was one of the most significant spending announcements and will increase welfare spending by £1.7 billion per year from 2028–29. Total expenditure over five years is expected to reach just over £7 billion.[252]

Experience of Local Housing Allowance

138. Throughout our inquiry, we heard evidence that claimants often experienced a shortfall in the support provided through LHA to meet their actual housing costs. This was driven by LHA rates being frozen during a period of rapidly rising rental prices, combined with what Professor Kemp, Professor of Public Policy, Blavatnik School of Government, University of Oxford, referred to as "chronic undersupply" of housing.[253] For example, Dr Steffan Evans, Head of Policy (Poverty) at the Bevan Foundation told us that across Wales during the first two weeks of February 2023, only 32 properties (1.2% of what was on offer) were at the LHA rate in the formal rental market area.[254] Dr Evans said this shortfall meant claimants often had to use their UC payments to cover their rent, or they were "pushed into homelessness or poor-quality housing".[255] We also heard of such experiences in roundtables we held with benefit claimants on 25 October 2023 (see Annex Two for a summary of our discussions). Shelter, a national charity for people experiencing homelessness, said breaking the link between local rents and LHA "completely undermined the adequacy of other benefits," and could increase risk of homelessness for some claimants.[256]

139. We asked the Secretary of State what triggered the decision to relink LHA rates to the 30th percentile of BRMA during Autumn Statement 2023. He described the cumulative effect of freezing LHA rates during a period of inflation, which meant "the situation gets more and more difficult," adding "I thought that, in terms of the impacts on those people, it was becoming an increasingly important consideration". The Secretary of State pointed out that this type of intervention had implications across Government spending.[257] Despite

248 HM Treasury, Budget 2010 (June 2010), p 48
249 HM Treasury, Autumn Statement 2012 (December 2012), p 50; and HM Treasury, Budget 2016 (March 2016), p 86
250 HM Treasury, 'The Chancellor Rishi Sunak provides an updated statement on coronavirus,' accessed 22 February 2024
251 HM Treasury, Autumn Statement 2023 (November 2023), p 88
252 Department for Work and Pensions, 'Millions of renters better off with boost to housing support' accessed 22 February 2024
253 Q186
254 Q52
255 Q52
256 Shelter (BPI0019)
257 Q342

acknowledging the cumulative effect of freezing LHA rates on claimants, when asked whether LHA rates would be frozen again from 2025–26 onwards, he said the decision was "subject to whatever may be decided in the future".[258]

140. Analysis from the Resolution Foundation indicates that relinking LHA rates to the 30th percentile will benefit 1.3 million private rented households in receipt of UC or Housing Benefit. The Resolution Foundation cautioned however, that because the benefit cap would not be uprated in 2024–25, thousands of households would not benefit from this intervention. A couple with two children in receipt of UC would reach the cap in 83% of local areas in April 2024, up from 53% in December 2023.[259]

141. **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).***

Independent scrutiny of benefit levels

142. We asked what role an independent body could or should play in advising Government on benefit policy. A sizeable majority of written submissions supported the idea that such a body should advise the Government on benefit levels.[260] Those who were supportive often made reference to the Joseph Rowntree Foundation (JRF) and Trussell Trust's campaign for an 'Essentials Guarantee' (which we discussed in Chapter 3). Ministers would have a duty to consider and respond to the proposed Essentials Guarantee recommendation in Parliament for a particular year but would retain powers to set the minimum level.[261] The JRF and Trussell Trust also said the Government could create a new body, similar to the Low Pay Commission (LPC), or expand the remit and resource of an existing body, such as the Social Security Advisory Committee (SSAC),[262] to oversee this work. This idea was echoed by organisations such as the Poverty Alliance and the think tank Bright Blue.[263] In oral evidence, Ryan Shorthouse, representing Bright Blue, said doing so would improve transparency in the process used to set benefit levels.[264]

143. We asked former Work and Pensions Secretary of State, Sir Iain Duncan Smith MP, whether there was a role for an independent body to advise the Government on benefit levels. He was not persuaded by the idea, and questioned whether it would be appropriate for such a body to intercede in Parliamentary decision-making. He suggested a more

258 Q342
259 Resolution Foundation, A temporary thaw: An analysis of Local Housing Allowance uprating over time (December 2023), p 3
260 See for example, Greater Manchester Poverty Action (GMPA) (BPI0020), Welsh Government (BPI0069), YMCA England & Wales (BPI0072), Joseph Rowntree Foundation, Trussell Trust (BPI0062), New Economics Foundation (BPI0082), Independent Food Aid Network (BPI0085) and The Poverty Alliance (BPI0091) amongst others
261 Joseph Rowntree Foundation, Trussell Trust (BPI0062)
262 The Social Security Advisory Committee (SSAC) is an independent statutory body which provides impartial advice on social security and related matters. Its main responsibilities are to scrutinise proposed regulations that underpin the social welfare system. SSAC explicitly does not have a statutory function to scrutinise regulations which set benefit rates.
263 The Poverty Alliance (BPI0091) and Q9
264 Q9

prudent option, if this idea was pursued, would be to expand the remit of the SSAC.[265] In answer to a similar question, the current Work and Pensions Secretary said there was a "democratic point" to consider, and that it was ultimately for the Government to make such decisions—otherwise, independent bodies might "start to effectively shape where benefit changes go".[266]

144. Dr Stephen Brien, Chair of the Social Security Advisory Committee, told us that he did not think it would be appropriate for the SSAC, as currently constituted, to advise the Government on what the level of benefits ought to be. This was because of the current skillset of SSAC membership, and due to concerns that advising on benefit levels could risk "contaminating SSAC's ability to act as an impartial adviser on other aspects of government policy and execution". He added that any such body would require a clear mandate from the Government to conduct this type of work, in which case, "an independent committee could do the job well".[267]

145. More positively, when describing SSAC's role with regards to benefit levels and living costs, Dr Brien said SSAC could look at different aspects of the benefit system and how they might affect benefit levels across different timeframes, usually longer-term ones.[268] This could be helpful because:

> day to day, year to year, the Government of the day have a political mandate and are very consciously making decisions about adequacy and have the political authority to do that. Over a multi-year timeframe there is a risk of creep, and what we have found important and helpful for us to do is to focus a lot more on that longer-term structural drift.[269]

When asked whether SSAC could consider what impact annual benefit uprating in April based on the previous September's inflation figure had on levels, Dr Brien said he thought SSAC could do this, though this was not an area they had intentionally researched or analysed yet.[270]

146. **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.***

265 Q97
266 Q134
267 Q129
268 Q133
269 Q133
270 Q134

5 Factors affecting benefit levels

147. In this chapter, we provide an overview of policies which can reduce benefit payments for claimants, and signpost previous work we have conducted in these areas. We then look at planned changes to the social security system, in particular those which relate to increased employment support and conditionality.

Other matters which affect benefit levels

148. We have been conscious throughout our inquiry that the sum of benefits provided to claimants can be affected by matters beyond how levels are set and uprated annually. We therefore cast our net wide in our call for evidence and explored aspects of the system which can reduce benefit entitlement, including sanctions, deductions, access and administration, assessment for health and disability benefits, and thresholds and caps. Overall, the picture we encountered was that certain policies do not always operate as intended and can increase the risk of households experiencing financial hardship. For example:

- **Sanctions:** we heard concern that sanctions are sometimes misapplied, and that some groups, such as people with caring responsibilities, are at an increased risk of being sanctioned.[271] Some people who contributed to our inquiry argued that the severity of sanctions combined with already low benefit levels, could increase the risk of claimants and wider household members facing destitution, homelessness, and mental and physical health challenges.[272]

- **Deductions:** we received evidence that deductions policy increases the risk of some claimants being unable to afford essentials and being in a negative budget.[273] Some who contributed to our inquiry were particularly critical of the design of deductions policy for UC advance payments, and said the Government was "playing a key role" in creating debt.[274] For example, DWP policy provides a priority order of deductions in UC, which is applied if there is not enough Universal Credit payment to make all deductions, or if the total deductions would exceed the 25% cap of the claimant's UC standard allowance. Deductions for UC advance payments (as well as for Budgeting Advances, conditionality sanctions, fraud penalties, and short-term advances) are taken before the deductions priority order list is applied.[275] This means deductions for UC advance payments are taken ahead of payments for child maintenance, or other third-party priority debts such as rent arrears.[276]

- **Access and administration:** the ability of claimants to access all the benefits they are entitled to impacts their benefit levels. We heard from Policy in Practice

271 For example, see Organise (BPI0015), Lloyds Bank Foundation for England & Wales (BPI0048), YMCA England & Wales (BPI0072)
272 For example, see Wheatley Group (BPI0049), The Children's Society (BPI0052), Just Fair (BPI0008); and Crisis (BPI0081)
273 For example, see Joseph Rowntree Foundation, Trussell Trust (BPI0062), North East Child Poverty Commission (BPI0023), and StepChange Debt Charity (BPI0067)
274 Q290 [Duncan Shrubsole]
275 Correspondence with the Parliamentary Under Secretary of State relating to Children in poverty: Child Maintenance Service
276 Joseph Rowntree Foundation (BPI0001) and StepChange Debt Charity (BPI0067)

that an estimated £19 billion of income-related benefits and social tariffs go unclaimed each year, and IncomeMax said they directly identified £25.2 million of unclaimed benefits in the 12 months prior to their evidence submission.[277] We also heard that the monthly assessment process used to determine a claimant's UC entitlement could impact benefit levels for claimants whose payment cycle diverge from a monthly pattern.[278]

- **Assessment for health and disability benefits:** inaccuracies and delays in the assessment, reassessment, and mandatory reconsideration processes used to determine eligibility for and entitlement to health and disability related benefits could lead claimants to receiving lower levels of support than was appropriate. Charities such as the MS Society and Parkinson's UK said the likelihood of this happening was greater for people with hidden and fluctuating conditions, where the assessor did not always understand the claimant's condition.[279] A similar experience was shared in roundtables we held, where participants told us that assessors did not always understand the needs of people who were neurodivergent (see Annex Two for a summary). The 'digital by default' nature of the benefit system could also make it difficult for some people to access benefits, and disabled people reported often requiring additional support to understand and apply for benefits.[280]

- **Thresholds and caps:** the total amount of benefits a claimant can receive is often affected by thresholds, allowances and caps in the benefit system, such as the capital limit rules, the benefit cap, and earnings limit in Carer's Allowance.[281]

149. We have looked at many of these areas in the course of this Parliament and made recommendations to the Government which we stand by, especially where challenges remain salient.[282] Some of these areas we will continue to explore in the remainder of this Parliament, for example, we will consider how DWP supports vulnerable benefit claimants and those in need of special care, and whether its approach to safeguarding should change in our current inquiry, *Safeguarding vulnerable claimants*.[283] We will also consider support provided to employees who are unable to work due to illness in our current inquiry, *Statutory Sick Pay*.[284]

150. We recognise that increasing the risk of hardship is not the Government's intention, as evidenced through the availability of additional financial support to soften the sharper edges of these policies. For example, hardship payments for sanctioned claimants who

277 Policy in Practice (BPI0064) and IncomeMax CIC (BPI0078)

278 For example, see Union of Shop Distributive and Allied Workers (Usdaw) (BPI0038), Professor Jane Millar (Emeritus Professor of Social Policy at University of Bath); Dr Rita Griffiths (Research Fellow at Institute for Policy Research, University of Bath); Fran Bennett (Associate Fellow at University of Oxford); Marsha Wood (Research Assistant at Institute for Policy Research, University of Bath) (BPI0059), and University of Edinburgh (BPI0004)

279 For example, see MS Society (BPI0022), Parkinson's UK (BPI0063) and Macmillan Cancer Support (BPI0028)

280 For example, see MS Society (BPI0022), Sense (BPI0071), and Disability Benefits Consortium (BPI0029)

281 Q24

282 Work and Pensions Committee, Third Report of Session 2019–21, Universal Credit: the wait for a first payment, HC204; Work and Pensions Committee, Second Report of Session 2022–23, The cost of living, HC 129; Work and Pensions Committee, Fourth Report of Session 2022–23, Universal Credit and childcare costs, HC 127; Work and Pensions Committee, Fifth Report of Session 2022–23, Health assessments for benefits, HC 128; Work and Pensions Committee, Eighth Report of Session 2022–23, Plan for Jobs and employment support, HC 600; Work and Pensions Committee, First Report of Session 2023–24, Cost of living support payments, HC 143

283 Work and Pensions Committee, 'Safeguarding vulnerable claimants,' accessed 15 February 2024

284 Work and Pensions Committee, 'Statutory Sick Pay,' accessed 15 February 2024

cannot afford rent, heating, food or hygiene needs; or discretionary housing payments for households unable to afford rent because of the benefit cap.[285] We therefore hope the Department will be able to draw on the evidence we have received as it continues to develop its policies and objectives for working-age benefits.

Planned and proposed changes to the benefit system

151. In the last year, the Government has made several announcements relating to the future of the benefit system. These include plans to expand employment and mental health support for claimants, to improve childcare cost arrangements, and to make changes to the application and assessment processes used for health and disability benefits.[286] Once in effect, these proposals could significantly improve the experience of claimants interacting with the benefit system and help them to progress in work more quickly. Indeed, some of the proposals (such as the Chance to Work Guarantee) introduce measures which claimants told us they wanted in our roundtables in October 2023, ahead of the announcements.[287] However, other planned changes to the benefit system, such as those which relate to the Work Capability Assessment, and those which seek to increase the number of claimants subject to conditionality, could lead to less desirable outcomes for some claimants.

152. In the time that remains in this Parliament, we will monitor the development of the Government's plans in these areas, in particular plans to remove the Work Capability Assessment and to introduce a new health element to Universal Credit.[288] Contributors to our inquiry, such as Macmillan Cancer Support, raised concerns that planned changes could significantly limit the number of people who would be eligible for health and disability-related support in the future.[289]

Employment support and conditionality

153. Across new measures announced in the last year, there has been an increased focus on employment support and conditionality for claimants. These changes are estimated to bring hundreds of thousands more people either into the conditionality regime, or to increase existing work-search requirements for claimants already subject to conditionality. In particular, in Spring Budget 2023 and Autumn Statement 2023, the Government said it planned to bring forward:

- Changes to the Administrative Earnings Threshold (AET) in Universal Credit, which determines how much support and Work Coach time a claimant receives based on earnings, from 15 to 18 hours; and remove the couple's AET. This is estimated to bring 11,000 more claimants into the Intensive Work Search and Light Touch regime.[290]

285 Department for Work and Pension, 'Universal Credit: Other financial support,' accessed 7 January 2024; and Department for Work and Pensions, 'Applying for a Discretionary Housing Payment,' accessed 7 February 2024

286 Department for Work and Pensions, 'Transforming Support: The Health and Disability White Paper,' accessed 26 January 2024; Department for Work and Pensions, 'Thousands of parents to benefit from more work coach support,' accessed 26 January 2024; and HC Deb 20 November 2023, HCWS44 [Commons written ministerial statement]

287 Department for Work and Pensions, Government Response to the Work Capability Assessment: Activities and Descriptors Consultation, accessed 27 January 2024

288 Department for Work and Pensions, 'Transforming Support: The Health and Disability White Paper,' accessed 26 January 2024

289 Macmillan Cancer Support (BPI0028)

290 HM Treasury, Spring Budget 2023 (March 2023), p 99

- An expansion of Additional Jobcentre Support Pilot; and an extension of the Restart Scheme, both of which will provide more intensive work search support to some claimants.[291]

- New means to reengage with claimants who are unemployed after 18 months, through a 'claimant review point' and mandatory employment and work placements.[292]

- The possibility of closing UC claims for disengaged claimants, for sanctioned claimants who have not engaged with Jobcentre support for over six months and who are only eligible for the UC standard allowance. Claimants who do not reengage following the new claimant review point might also have their UC claim closed.[293]

- To accompany improved childcare cost arrangements, the Government said it would bring 700,000 more lead carers in receipt of UC into conditionality or would increase the work-search activity expected of parents.[294]

- Changes to the WCA and other announcements will provide increased support and conditionality for claimants with a health condition or disability, for example through the Government's Universal Support Programme, Individual Placement and Support and Work Well.[295]

154. One determinant of the success of these measures will be whether there is necessary capacity in different parts of the system to support effective implementation of these changes. This includes capacity relating to the availability of home-working opportunities for disabled people and people with health conditions; the availability of affordable and appropriate childcare; and the number of Work Coaches and Disability Employment Advisers (DEAs) working with claimants. TUC said in written evidence that a large-scale employment drive would be required in Jobcentres and service centres to reduce workloads for Work Coaches and to achieve better outcomes for claimants.[296]

155. Reports have emerged relating to staffing shortages and challenges in Jobcentres. On 5 December 2023, the Public and Commercial Services (PCS) Union published a dossier of 50 testimonials of PCS members working in DWP, describing the stress experienced by staff in Jobcentres:

> This is predominantly attributed to understaffing, failures of recruitment and retention, poor conditions and low pay. Hard-working staff despair at the quality of service being delivered to the most vulnerable in society.[297]

156. Whilst Work Coaches assume the primary role of directly supporting customers in Jobcentres, Work Coaches are supported by DEAs. DEAs provide support to Work

291 HM Treasury, Spring Budget 2023 (March 2023), p 51; and HM Treasury, Autumn Statement (November 2023), p 47
292 HM Treasury, Autumn Statement (November 2023), p 87
293 HM Treasury, Autumn Statement (November 2023), p 87–88
294 Department for Work and Pensions, 'Thousands of parents to benefit from more work coach support,' accessed 26 January 2024
295 HM Treasury, Spring Budget 2023 (March 2023), p 99; and HM Treasury, Autumn Statement (November 2023), p 88
296 Trades Union Congress (TUC) (BPI0086)
297 PCS, 'DWP boss receives devastating dossier: staff and services at breaking point,' accessed 20 February 2024

Coaches and other Jobcentre employees in situations where claimants present with complex employment circumstances involving health and disability issues, for example through upskilling, case conferencing and facilitating three-way conversations.[298] DEAs can also directly support customers with a health condition or disability where this might benefit the customer. Commenting on the Health and Disability White Paper, and planned changes to the Work Capability Assessment, Tom Pollard, Head of Social Policy at the New Economics Foundation, said that bringing more people with a health condition or disability into the conditionality regime would increase the responsibility on Work Coaches, to assess what activity would be appropriate given the claimant's circumstances.[299] Planned changes are therefore likely to increase the responsibility of DEAs, to support Work Coaches to make appropriate decisions. Our predecessor Committee in July 2014 "identified a relative lack of Disability Employment Advisers (DEAs) within Jobcentres to provide the specialist support which disabled people and people with long-term health conditions require".[300]

157. We asked the Secretary of State and his officials whether there was sufficient Work Coach capacity in the system to absorb the increase in demand on 6 December. Katherine Green, Director General for Labour Market Policy and Implementation at DWP, said that the latest figures available in early December 2023 were that there were about 14,000 Work Coaches in the system, and the Department expected that figure to rise to 16,000 in March 2024.[301] We also asked how many of these 14,000 Work Coaches were Disability Employment Advisers.[302] The Work and Pensions Secretary of State confirmed to us in written evidence following the session that as of 30 November 2023, the Full Time Equivalent figure for DEAs was 744, and Disability Employment Adviser Leads was 99, based on the Department's Activity Based Model. The Work and Pensions Secretary of State said it was the Department's priority "to ensure that every Work Coach in every Jobcentre has access to support from a DEA, rather than a DEA in every Jobcentre.[303]

158. **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.***

298 Correspondence with the Secretary of State relating to Benefit levels in the UK
299 Q285
300 Work and Pension Committee, First Report of Session 2014–15, Employment and Support Allowance and Work Capability Assessments, HC 302, para 123
301 Q407
302 Q408
303 Correspondence with the Secretary of State relating to Benefit levels in the UK

6 Conclusion

159. The financial support provided by DWP is of vital importance to benefit claimants. For people who are unable to work, searching for work, and for those who are in-work and on a low wage, the income received through benefits can be the difference between claimants being able to afford to meet essential costs or not. It is therefore crucial that discussion on benefit levels and the experience of claimants is not sidetracked by debate on whether it is possible to say what constitutes an “adequate” level of benefits. In this report, we have proposed that the Government set out a framework of principles to help inform how benefit levels are set, and to outline objectives linked to living costs as well as work incentives. We have also recommended that the Government be clearer on how far extra-cost benefits should cover the costs for which they are intended. Finally, we have suggested DWP improve the procedure used to uprate benefit levels, to ensure their real-term value does not erode over time, and to improve the opportunity for Parliament to effectively scrutinise Government decision-making. We look forward to the Government’s response to our proposals.

Annex One: Glossary and data tables

1) In this Annex we set out a glossary of some of the key terms and data tables which inform points made in the main body of the report.

Main benefits discussed in this report

2) Table 1 sets out descriptions of the main working-age benefits referred to in this report.

Table 1: Working-age benefits discussed in this report

Benefit	Description
Universal Credit (UC)	Means-tested income-replacement benefit in the process of replacing Child Tax Credit, Housing Benefit, Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance and Working Tax Credit. UC consists of a Standard Allowance and additional elements based on claimants' circumstances, for example to support with housing costs, childcare, caring responsibilities, or having a health condition or disability.
Housing Benefit (HB)	Means-tested benefit administered by local authorities to help with housing costs. Although Universal Credit is replacing Housing Benefit, it is open for applications from people of working age if they are in supported, sheltered or temporary housing.
Jobseeker's Allowance (JSA)	Income-replacement benefit for people searching for work: - 'New Style' Jobseeker's Allowance: contributory. - Income-based Jobseeker's Allowance: means-tested, closed to new claims.
Employment and Support Allowance (ESA)	Income-replacement benefit for people with a disability of health condition which affects how much they can work: - 'New Style': contributory. - Income-related: closed to new claims
Carer's Allowance (CA)	Income replacement benefit for people who provide regular and substantial care to a disabled person in receipt of a qualifying benefit. CA is non-means tested, however, to be eligible claimants must meet several criteria.
Carer Support Payment	Replacing CA in Scotland. Fewer eligibility criteria than CA.
Personal Independence Payment (PIP)	Extra-cost benefit for working-age people with a long-term health condition or disability. PIP is non-means tested. Eligibility is based on a PIP Assessment.
Adult Disability Payment (ADP)	Replacing PIP in Scotland. Presently mirrors several aspects of PIP, however there are differences in the application and assessment process.
Local Housing Allowance (LHA)	LHA rates are used to calculate Housing Benefit and the housing cost element in UC for tenants renting in the private sector.

Source: DWP, Proposed benefit and pension rates 2024 to 2025,' accessed 23 January 2024

3) Table 2 provides the number of claimants for the main benefits discussed in this report. We have provided data for May 2023 as way of comparison between benefits, as it is the most recent month available with data for each benefit.

Table 2: Number of benefit claimants as of May 2023

Region	UC	ESA	JSA	PIP	CA
England, of which:	5,150,006	1,303,555	76,434	2,770,134	828,565
North East	291,375	83,270	4,455	197,334	58,902
North West	765,658	228,526	10,084	476,685	131,430
Yorkshire & The Humber	535,603	149,197	8,345	310,857	97,969
East Midlands	419,915	119,278	6,799	258,658	74,562
West Midlands	606,963	145,819	10,839	327,937	104,496
East of England	491,023	118,334	6,983	258,489	78,188
London	944,813	177,532	14,449	346,089	114,981
South East	663,512	159,935	10,013	336,144	102,534
South West	431,134	121,664	4,471	257,937	65,503
Wales	293,422	112,146	4,024	237,141	58,600
Scotland	483,763	183,697	7,823	N/A	83,903
Great Britain total	**5,930,396**	**1,606,159**	**88,474**	***3,007,276**	**971,686**

Source: Data in the table taken from: Department for Work and Pensions, Stat-Xplore, accessed 30 January 2024

*England and Wales only

4) In Northern Ireland, benefits are administered by the Department for Communities. The most recent data for the number of people claiming benefits was published on 29 November 2023, and covers August 2023.

Table 3: Number of benefit claimants in Northern Ireland as of August 2023

	UC	ESA	JSA	PIP	CA	IS
N. Ireland	236,520	100,790	4,920	69,740	75,930	12,910

Source: Department for Communities, 'Benefit Statistics Summary Publication (National Statistics) - August 2023,' accessed 30 January 2024

Annex Two: Summary note from roundtables with benefit claimants

1) On 25 October 2023, we held a series of roundtables with benefit recipients. This annex summarises what we heard.

Adequacy of benefits and ability to afford essentials

- A number of participants said benefit levels were too low, and described difficulties they faced trying to afford everyday living costs such as food and energy for heating their homes. One participant said heating was a "luxury"; another described how sometimes, they would wait until their hands were too cold to turn the page whilst reading before turning on the heating for an hour.
- One participant spoke about the challenging budgeting choices they had to make. They said, "We can't tighten our belt in any more ways. . . so effectively we're sort of going without food in one area to cover the cost of something else without heating somewhere."
- Participants who received PIP said it was often used to subsidise food bills and other everyday living costs, rather than as a contribution towards costs associated with a claimant's health condition and/or disability.
- One participant described noticing the positive effect of benefit levels increasing in April 2023 following uprating, even if they still struggled financially. Another said following a PIP review, they were moved to the upper level of support for mobility and daily living—for the first time they experienced some relief and were able to use PIP for different health-related costs.

Suggestions for change

- One participant described how Universal Credit was just one part of a wider system required to help people increase their living standards, and should be seen alongside the minimum wage and the availability of good work: "There's a lot of systematic problems that need to be addressed, and Universal Credit is at least one way to mitigate against those problems, but somehow it seems to be we seem to be making individuals responsible for systemic problems."

Impact of low benefit levels

- We heard examples of when either low benefit levels, or reduced levels following reassessment for health and disability benefits, led to the deterioration of claimants' health conditions. Many reported that financial difficulties caused and/or exacerbated mental health challenges.
- Low benefit levels impacted claimants' ability to save and build financial resilience: "My concern is that we've got a whole, very large and increasingly growing group of people in society who don't have any other choice of how to

manage their money, but to be in debt and to not be saving. . . They want to save. They know the importance of saving. They don't want to be in debt, but they don't have any choice".

- Parents described the negative mental, physical and emotional impacts low benefit levels had on their children. Participants discussed how some children risked going to school hungry and being unable to concentrate, in turn impacting their educational outcomes and life prospects.
- One parent, who was a wheelchair user, described their concern that low benefit levels would impact their child's ability to go to a university of their choice, because of the costs required to travel to and attend open days. They said, "we can't seem to escape the poverty trap".

What benefits should cover

- Participants said benefits should help cover the costs of everyday essentials, such as food, heating, electricity and the internet.
- Parents described wanting to be able to take their children to museums and exposing them to different experiences.
- One disability benefit recipient suggested that benefit payments should correlate to the additional costs they incurred: "Benefits should kind of reflect costs. You know the standard PIP for Mobility [is] £26 a week. That really does not go far in taxis or running a car, and just all the numbers seemed to be plucked out of thin air instead of having any actual foundation and basis for them".
- One participant spoke about what benefits at a minimum should cover: "I think it should absolutely, at a minimum, cover the destitution line. If we're not paying enough that people are not destitute, then there's something badly wrong with the system that's supposed to be helping people".
- Another participant said benefits should support people to live with dignity. They said, "overall, the discussion seems to be about essentials and existence, and we should be allowed to live and have some dignity".

Additional costs associated with circumstances

- The importance of nutritious, and easy to prepare food, was highlighted as particularly important for people with health conditions and disabilities, who were not always able to stand or cook. One person said, "We, as much as anyone, deserve nutritious, delicious food, and in fact we probably need it more than a lot of people".
- Participants described some of the additional costs they encountered as a result of health conditions and disabilities, such as high upfront costs for things such as for powered chairs, and ongoing costs such as higher insurance bills. Other spoke of costs to feed support dogs; and transport to the GP and for hospital appointments.

- One participant in receipt of health and disability benefits said they felt like they had to choose whether to prioritise their mental or physical health, because the support they received would not stretch to cover the additional costs associated with each.

- One parent described the additional costs associated with raising three autistic children—one who had specific dietary requirements; another who was very sensitive to temperature and required the house to be adjusted accordingly; and a third who was at home because there was no specialist education provision in their area and mainstream schooling was not appropriate. These costs meant, "there are days when my husband and I, and my husband is in a wheelchair and I'm diabetic, don't eat because we need to feed the children what they need to survive".

Suggestions for change

- If a claimant is awarded the higher amount of ESA, this should not result in a reduction in UC.

- PIP should not be taken into account when Housing Associations are calculating rent.

Housing

- The availability of appropriate and affordable housing was identified by several participants. One participant described how a significant portion of their PIP was spent on their rent, and how it was important to be able to live alone because of neurodivergence. Another participant described how they required significant support from their Council to find an accessible flat that was within budget.

- One participant said they previously faced the prospect of homelessness due to rent arrears. A supportive landlord helped organise a repayment plan in order to avoid this.

- The Spare Room Subsidy was at times felt to be illogical: claimants could be penalised for having additional bedrooms and advised to move to smaller, more expensive and less appropriate properties to avoid a deduction. In some circumstances if they decided to move, they would cost the Government more than if they stayed in the bigger but cheaper property. It also could involve people moving away from their support networks.

- Poor quality housing stock from some housing associations was found to increase costs elsewhere, due to their being poorly insulated.

Suggestions for change:

- The housing element of UC should be revised to bring it in line with inflation. Legislation was thought to be needed to ensure that Local Housing Allowance was consistently set at appropriate levels.

Other streams of support

- Participants said without help from their family and other members of their community, they would not have been able to afford basics for a significant period of the year.
- Claimants noted that access to some additional services was more limited for people in rural communities.
- Claimants who were unable to afford all their food requirements described wider resources they drew on, including exchanging food using services such as Olio; using community fridges; growing their own fruit and vegetables; and accessing food banks. More broadly, voluntary organisations were highlighted as an important resource for claimants, and it was felt that they plugged some of the gap between the benefits people received and the cost of living.
- Access to passported support through disability benefits, such as to the Motability scheme, were described as crucial by some.
- One participant described how support, such as energy support and cost of living payments had been "a lifeline for a lot of people," but added that it would be preferable for this support to be fed into general benefits.
- One parent described the postcode lottery of being able to access healthy school vouchers, and confusion surrounding when and if they were available. Another spoke about how some parents were not aware of the support they may be entitled to through passported benefits.

Access and administration

- Participants who were still in receipt of certain legacy benefits expressed fear of being moved on to Universal Credit. One participant said they lived in a dangerous area and wanted to move, but avoided doing so because they would receive significantly less if they moved on to Universal Credit and would face more financial difficulties.
- We heard that there was ambiguity about how certain parts of the system interacted, such as the Minimum Income Floor and the benefit cap. This impacted claimants' understanding of what they would be in receipt of the following month.
- In houses where there were multiple adults whose finances weren't wholly combined (e.g. parents and adult children), claimants could be penalised due to the income of another member of the household.
- One participant described how the five-week wait for UC put them off applying for Universal Credit, even though they might be financially better off if they made the change.

- Participants had varied views on the UC digital journal. One found it to be a quick and useful way to communicate with DWP and said they received responses which were generally good. Another said the type of response they received varied depending on who was replying.
- In Universal Credit, benefit overpayments are repaid with repayments deducted from monthly Universal Credit payment. As UC calculations were complex, it could be difficult for claimants to determine if they were being paid the correct amount. This meant in months where deductions were made, claimants sometimes received lower payments than they were expecting which could make it even more difficult to cover basic costs.

Suggestions for change

- It was suggested that claimants should be able to speak to Work Coaches directly about queries, rather than having to use the UC journal for the most part.
- The five-week wait for UC should be abolished and claimants should not have to rely on a loan.

Assessment, reassessment, mandatory consideration and the tribunal process

- Some participants found the application process for health and disability benefits challenging and anxiety inducing, especially when and if they were not able to access support when doing so.
- One participant raised that tribunals only provided decisions on a claim for a period of one year and so could be overturned after this time. This was true even for long-term health conditions.
- The process of claiming was found to be difficult for people with mental health conditions, especially if they could not see a doctor, did not have a formal diagnosis, or if they were unable to provide the necessary evidence for the assessment. The requirement to record evidence made people feel like they were going through some form of trial when applying.
- Claimants did not always understand the system, and therefore missed opportunities to challenge decisions. In addition, DWP did not always fulfil its responsibility to let claimants know when they had won appeals in the courts.
- Several participants shared examples of when they, or those whom they cared for, had to take their PIP or ESA assessment decisions to mandatory reconsideration and/or tribunal, before being awarded their full entitlement. This process could take several months, and led some participants to fall into overdrafts and rent arrears, which in turn contributed to a decline in their mental health. One participant said the process was "dehumanising, and it's pointless".
- A claimant told us DWP made a different decision on two PIP applications, based on exactly the same medical evidence. Following a mandatory reconsideration where the decision was upheld, they requested a further review after saying their

condition had got worse. If their review had not been successful they would have continued to lose £100 a month, which would have affected their ability to pay for basics.

- Some claimants feared asking for reviews (for example, on what level of PIP they should be awarded) in case they risked losing any form of award.
- Participants said their assessors did not always have an adequate understanding of their health condition/disability, or the health condition/disability of the person they cared for. They said assessors therefore made assumptions about people's conditions, or would not accept information that claimants told them.
- Another challenge related to inaccuracies of the reports from reviewers. One participant, for example, said their report stated they attended the assessment alone, when in fact a companion had also attended.
- The nature of assessment created barriers for some people who were neurodivergent. One participant described finding a phone-based assessment challenging. Another said many people with autism found it difficult to describe how their condition affected them, as was expected during PIP assessment. It was felt this requirement showed a lack of understanding of autism and demonstrated the inability of the system to properly assess people with autism.
- Participants described additional challenges associated with having a hidden or fluctuating condition. One claimant said they incorrectly had a diagnosis of Munchausen attached to their records, which assessors/doctors paid greater attention to than their physical health conditions, such as Fibromyalgia.
- One participant spoke positively about their ESA assessor, who helped them immediately access mental health support by getting in touch with their GP and raising a concern.
- Due to the stress caused by the reassessment process, one participant said they were moving to Scotland, "because I cannot keep going through this every three to four years of my life".

Suggestions for change:

- One participant said there should be an alignment between legal/medical definitions and the basis upon which decisions are made during assessments.
- Assessors should have relevant experience of the condition that they are assessing, although this could be non-medical.
- Participants advocated that the system be designed alongside people with lived experience, especially those with health conditions and disabilities: "Nothing about us without us".
- One participant suggested the benefit system should move from the "medical model of disability to the social model of disability".

- Procedures used to reassess people with permanent conditions should be simplified.

Experience of carers

- Those with caring experience expressed not feeling as if they were valued, and receiving such little financial support that it had a negative impact on their health. One participant said carers could face discrimination and challenges at work, when and if employers were not understanding of caring responsibilities.
- Some participants shared their experience of having a disability whilst also acting as a carer for other family members. One participant described how the system insinuated that they could not be a service user whilst also being a carer.
- One participant said the income threshold to qualify for Carer's Allowance was very low, meaning it was redundant for many people who took on caring responsibilities.

Suggestions for change

- To increase benefit levels for carers and link Carer's Allowance with the National Living Wage.

Interactions with Jobcentres and Work Coaches

- Many participants said they had a negative perception of Jobcentres. One person said, there were "a lot of attitude issues around, you know, working class people being looked down on and being seen as inferior". Another participant said DWP treated claimants from a default position of suspicion and added, "anyone can become disabled in a split second".
- However, some participants described interacting with helpful and kind Work Coaches in Jobcentres.
- There was a view that staff at Jobcentres were not well-placed to help people find jobs in certain industries, such as in the creative industries. Claimants in these areas were often left to find a job themselves with no DWP support, and staff in Jobcentres were not always responsive to suggestions for how they might help such people find work.
- DWP did not always accommodate or make reasonable adjustments for the needs of disabled claimants. One participant described DWP's insistence on arranging an early appointment for a claimant with autism, who struggled to get up early in the morning.
- Some Work Coaches were not equipped with the necessary expertise to support people with significant disabilities.
- We heard examples of where participants and/or the people they cared for were neurodivergent, and the challenges this created when interacting with the system. One participant described how both their son and husband had autism,

and how they did not trust and/or could not engage properly with Jobcentres. This made it more challenging for them as a carer and reduced the level of benefits the household received, until their local MP was able to intervene and assist with the situation.

- One participant said they experienced racism and classism when interacting with Jobcentres, and that claimants were labelled "spongers".

Ability to work

- Participants described wanting to be able to work but said the stress caused by the system, especially the recurrent nature of reassessment for health and disability benefits, made it difficult to do so. One person said, "it's cyclical, so you keep going through it and then you can't build yourself up to a point where you can do anything work wise, even if you wanted to."

- Participants spoke about the importance of improving access to mental health support to help people get back on their feet and into work.

- Access to Work was highlighted as being important to help claimants with a health condition or disability to be in work. One participant described how support provided to them through this scheme one day suddenly stopped, and the challenges they faced as a result.

- Participants said that most benefit claimants wanted to work, rather than to be on benefits. One person said, "I think the majority of people who aren't in work would love to be working . . . I think all of us here would love to be working". Another person said, "My experience has been that people don't make irrational choices so that they can stay on benefits".

- The interaction between self-employment and Universal Credit was raised as a challenge for small business owners and sole-traders, who experienced fluctuating earnings month-to-month: "Universal Credit subsidises large corporations, failing to give people consistent income, but they're not willing to subsidise a sole trader or small business who's trying to build a job for themselves that fits around their needs".

- Parents spoke about the need for there to be more flexible work which could help them balance child-caring responsibilities, such as going on the school-run, alongside employment.

- Probation periods in most jobs were 3–6 months, if your job was not confirmed after that period and you needed to return to claiming UC, you would have to go through the UC process, and, where applicable, the LCWRA process again. This would leave you with a gap in financial support and made taking a job risky.

- Claimants were sometimes encouraged to apply for work, including for jobs that were not suitable for them.

Suggestions for change

- In response to the challenge posed by 3–6 month probation periods, it was suggested there should be a 3–6 month 'cushion' when/if claimants started to work where if they were no longer in work their benefit payments restarted on the same terms as before.
- As a way to improve the childcare system, one parent recommended the Government develop a national database in which schools and nurseries could report childcare costs automatically similar to the HMRC real-time information system to reduce the additional pressure on parents to constantly report costs, upload information and wait for reimbursement. This would remove one of the biggest barriers for parents in work.
- One participant said the Government should do more to incentivise employers to hire people in receipt of benefits. They expressed concern that language used in the media and elsewhere which referred to claimants as "scroungers" might make some businesses more hesitant to hire benefit claimants.

Annex Three: Distributed Dialogues

1) To gather input from claimants with experience of the benefit system, the Select Committee Engagement Team organised a distributed dialogue activity with stakeholder organisations. As part of this, we provided a number of advice and advocacy organisations with discussion packs and they engaged directly with benefit claimants, in focus groups, and in one-to-one conversations. Participants were asked questions adapted from our call for evidence and were asked to take part in a 'principles ranking exercise,' which is summarised in Annex Four.

'Essentials' that working-age benefits should cover

- Participants said benefits should act as a safety net, and cover essentials like rent, food, bills (internet, electricity, gas, water), basic travel to work, childcare, and clothing for employment. Others identified costs, such as toys for children, the cost of hobbies for social and personal wellbeing, education costs (stationery and books), and money to assist with birthday and Christmas presents.

- Regional variation in the cost of living, housing, and rising gas and electricity bills were identified as areas which created additional challenges. One participant expressed frustration with how they were cutting down on energy costs, yet bills still were rising and pushing them into debt.

- Participants said it was important for benefit levels to reflect choice and agency.

- Participants said current benefits did not cover the cost of essentials sufficiently. One raised specifically challenges to cover the costs of medicines and health services. Others spoke about the difficulty of being able to afford unexpected expenses such as for household repairs.

Benefit levels for additional components (for example, Personal Independence Payment, carer's element of Universal Credit)

- Several participants were clear that Personal Independence Payment (PIP) did not cover the additional costs associated with their health condition or disability. Participants said they often used PIP payments to cover daily living costs due to low levels of mainstream benefits.

- One person said, "I don't personally think those amounts compensate or match up to what someone might be needing. For example transport costs–you need to use cabs here and there, because public transport is just not set up for disabled people."

The impact of policies which might reduce benefit payments (for example sanctions, deductions and the benefit cap)

- Some participants were emphatic that sanctions were a stressful hindrance and did not support people finding or progressing into work.

- One parent said that sanctions and difficulties with repayments caused her to lose control of her finances and emphasised how difficult it was to raise a child on low benefit levels and low wages.
- Another parent described being affected by the benefit cap after returning to work, which exacerbated financial difficulties. They expressed frustration with the policy because they had been told that moving into work would be financially beneficial.
- One person said "With sanctioning there's this constant threat that next month you might be starving. I've been threatened with sanctions a couple of times […] I know that even if they had taken £20 or £30 of that money away, that's me not eating for a week. What are you going to get done, how are you meant to search for jobs or send off CVs if you've not eaten for a week or your house has been freezing for a month?".

The purpose of the benefit system/ what the benefit system should achieve

- Participants said the benefit system should act as a "safety net" for people and prevent them from falling into poverty.
- Some participants said the system should be focused on supporting children and others who cannot work.
- Participants identified the role of the benefit system to help individuals return to work and to find fulfilling work. Some added that low benefit levels could act as a barrier to this.
- Parents said it was important for the benefit system to be flexible to individual circumstances, and that a one size fits all approach was not suitable.
- One person said the system should be "full of compassion," to support those who cannot work full-time for any reason, such as having mental or physical health conditions or a disability. They felt the system could be "punishing," and could exacerbate the challenges faced by claimants in moments of crisis, and degrade their mental and physical health.
- One participant said, "the purpose of benefits should be to help people to live a full life, not to throw them off benefits. The focus is all wrong. There are many ways people can still contribute to society when they are on benefits… people should be helped to live the best they can under difficult circumstances."

Principles

- Parents said the following principles should underpin the design and delivery of the benefit system: individualised approach; flexibility; addressing specific needs; dignity and compassion; transitioning to work; support services, consideration of neurodiversity; and keeping benefits current.

- In one focus group, participants said the most important principles were “dignity” and “transparency”.

- Participants said they did not think the current benefit system upheld many of the principles identified. This was especially the case when discussing the experience of people with disabilities and health conditions interacting with the system, who faced more challenges when it came to accessibility and inclusivity. One person spoke about “justice” where it related to the health assessment process which could often be traumatic.

Searching for work whilst on Universal Credit

- One participant said they did not receive meaningful support from their Work Coach. They said their interactions with Work Coaches were brief and unhelpful. Another participant said they were being pushed into taking jobs which did not account for a degree and a qualification in nursing.

- One participant said Jobcentres should be a place where vulnerable claimants could receive wraparound support, tailored to their individual circumstances.

- One parent said access to programmes such as Restart should be expanded and that Work Coaches should be able to refer individuals to programmes or specialists who could assist with specific needs.

- A participant with a chronic illness described finding it challenging trying to convey the fluctuating nature of their illness to assessors and said the assessors could misinterpret their ability to work.

Working whilst on Universal Credit

- One participant expressed frustration with the 55% taper rate in UC and said it could act as a disincentive for people seeking employment or increasing their hours. They also said the benefit system had a negative impact on their stress levels and wellbeing to such a degree that it made it challenging to focus on job applications.

- A parent raised issues with accessing childcare which accommodated their work schedule. They explained that childcare options were limited to Ofsted registered childminders, which restricted their ability to work shifts, weekends or outside traditional nine-to-five hours. This severely limited their job opportunities.

- One person said the benefit system should do more to support upskilling and training to help people improve their employability. They added that people should be able to pursue and train for work they were passionate about.

- One person said “When you’re not working and looking for work, you’re so stressed and malnourished and you know, freezing cold that you can’t think straight to apply for a job”.

Accessibility of the system

- Participants found moving to UC from other benefits challenging. One said they were not given warning or support making the transition difficult. They also said that they found the online journal system confusing and unhelpful. Another person said they did not find the UC system very user friendly.

- Participants said they had been frustrated by the repetitive and confusing questions in UC forms, with it feeling like DWP was trying to catch them out. One person said this contributed to feelings of guilt that they could not provide for their son's needs.

- One participant said that fluctuating UC payments made it hard to budget.

Recommendations

- Participants recommended getting rid of the taper rate in UC; making childcare more affordable; providing more flexibility in the system; improving support and guidance to claimants; and treating claimants with more compassion and respect.

- One person said the Government should improve the physical environment of Jobcentres and increase training for staff. Participants said they felt judged and stigmatised when interacting with the benefit system.

- One person recommended removing the two-child limit and said more research should be done into ensuring benefits were adequate.

- Participants said benefit levels should be thought about in relation to the wider economy.

- Participants said benefits should reflect that unexpected events happen in life which lead to extra costs (such as when boilers break); and also, that additional components of benefits should more accurately reflect the costs they are intended to cover.

Annex Four: Principles ranking exercise

1) This Annex provides a summary of the principles ranking exercise conducted as part of a distributed dialogue activity to inform our inquiry.

Background

2) The principles ranking exercise was conducted using All our Ideas, a wiki survey tool which allows participants to suggest ideas in response to a question and vote on different combinations of responses until the best ideas "bubble to the top".[304]

3) Participants are presented with two potential responses to the question and must vote for the one that they think is best. They are then presented with another pair of options and can continue voting on different combinations of options. Participants can also add alternative options and submit them, so that other participants can see them and vote on them as well.

Prompt question and principles

4) Participants were presented with the question, "What principles should guide the design and delivery of the working-age benefits system?"

5) The following ten principles were added as "seed" ideas: pre-set options for participants to start voting on. They were selected from written evidence received by the Committee for this inquiry.

- Dignity
- Compassion
- Accessibility and inclusion
- Person-centred
- Fairness
- Co-production/co-design
- Transparency
- Flexibility
- Financial independence
- Evidence-based

Results

6) 581 votes were cast by 27 individuals between 23 August and 29 September 2023. 28 ideas were added by participants, with 38 voted on in total. The following ideas were the top 10 according to participants' votes.

304 All our ideas, 'Bringing survey research into the digital age,' accessed 15 February 2024

- Not everyone is the same and not everyone copes the same as another. Make the system less complicated and more inclusive;
- More attention to dignity required and less rigidity in the assessment process such as PIP. People's dignity is denied and people live in fear;
- Universal Credit should be replaced by a system more like Working Tax Credits where payments are made ahead of time and not in arrears;
- The system needs to be based on care and compassion for all, seeing the humanity in everyone and treating people with respect;
- Dignity;
- Compassion;
- Accessibility and inclusion;
- A far more streamlined system that affords people and carers respect in the process and far less reliance on lay people or systematic points;
- Person-centred; and
- Fairness.

Themes among submitted ideas

7) Three ideas focused on the responsibility of the Government to provide "a decent living standard for us all", with two emphasising the idea that tax and national insurance should guarantee people "the safety net we pay for".

8) Several ideas emphasised that participants wanted to see more care, compassion and kindness in the benefit system, with some citing assessors' behaviour as lacking in these qualities (for example assessors "ignore obvious distress") and another stating that currently "assessments are not designed to be kind".

9) Participants were keen to see assessors consider "medical and mental health" evidence and "have the correct knowledge and experience in more complex illnesses".

10) Three ideas mentioned that claimants should be treated with more "respect" and three mentioned "dignity" in the same way.

11) Three ideas were concerned with making the system simpler and more accessible, with one recommending that there should be more help for people who need assistance filling in forms.

12) One idea suggested that "private, profit-driven" entities should be removed from the benefit system.

Conclusions and recommendations

State of play

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

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)

Setting benefit levels: Purpose, principles and policy objectives

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)

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)

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)

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)

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)

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)

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)

Benefit uprating: Procedure and scrutiny

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)

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)

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)

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)

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)

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)

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)

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)

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)

Factors affecting benefit levels

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)

Formal minutes

Wednesday 13 March 2024

Members present

Sir Stephen Timms, in the Chair

Debbie Abrahams

Siobhan Baillie

Neil Coyle

Marsha de Cordova

Nigel Mills

Dr Ben Spencer

Sir Desmond Swayne

Benefit levels in the UK

Draft Report (*Benefit levels in the UK*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 159 read and agreed to.

Annexes and Summary agreed to.

Resolved, That the Report be the Second Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available (Standing Order No. 134).

Adjournment

Adjourned till Wednesday 20 March 2024 at 9.00 am

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the inquiry publications page of the Committee's website.

Wednesday 8 March 2023

Iain Porter, Senior Policy Adviser, Joseph Rowntree Foundation; **Robert Joyce**, Deputy Director and Head of the Income, Work and Welfare Sector, Institute for Fiscal Studies; **Ryan Shorthouse**, Founder and Chief Executive, Bright Blue; **Peter Kelly**, Director, The Poverty Alliance Q1–16

Ashwin Kumar, Professor of Social Policy and Director, Policy Evaluation Research Unit, Manchester Metropolitan University; **Nicholas Timmins**, Senior Fellow, The Institute for Government; **Donald Hirsch**, Policy Adviser, abrdn Financial Fairness Trust Q17–38

Wednesday 17 May 2023

David Stickland, Director, Benefits Training Company; **Dr Steffan Evans**, Head of Policy (Poverty), Bevan Foundation; **Ciara Fitzpatrick**, Academic Adviser, Northern Ireland Cliff Edge Coalition; **Professor Stephen Sinclair**, Co-Director, Scottish Poverty and Inequality Research Unit (SPIRU) Q39–63

Kirsty McHugh, CEO, Carers Trust UK; **Ken Butler**, Welfare Rights and Policy Adviser, Disability Rights UK; **Tom Lee**, Senior Policy Analyst, Child Poverty Action Group; **James Taylor**, Executive Director of Strategy, Impact and Social Change, Scope Q64–96

Wednesday 14 June 2023

Deven Ghelani, Director and Founder, Policy in Practice; **Rt Hon Sir Iain Duncan Smith MP** Q97–126

Dr Stephen Brien, Chair, Social Security Advisory Committee Q127–138

Peter Whiteford, Professor, Crawford School of Public Policy, The Australian National University; **Matthew Oakley**, Secretariat, Social Metrics Commission Q139–155

Wednesday 28 June 2023

Ben Twomey, Director, Generation Rent; **Balbir Chatrik**, Director of Policy and Communications, Centrepoint; **Francesca Albanese**, Interim Director for Policy and External Affairs, Crisis; **Dr Carin Tunåker**, Lecturer in Law and Homelessness, University of Kent Q156–183

Ben Beadle, Chief Executive, National Residential Landlords' Association; **Timothy Douglas**, Head of Policy and Campaigns, Propertymark; **Prof Peter Kemp**, Professor of Public Policy, Blavatnik School of Government, University of Oxford; **Sheila Haig**, Customer Manager, Transactions – Assessment and Finance, Corporate Services, City of Edinburgh Council Q184–210

Wednesday 19 July 2023

Andrew Harrop, General Secretary, Fabian Society; **Mike Brewer**, Deputy Chief Executive, Resolution Foundation; **Rebecca Deegan**, Head of Protection and Health Policy, Association of British Insurers; **Iain Mansfield**, Director of Research, Policy Exchange Q211–245

Kristoffer Lundberg, Deputy Director, Ministry of Health and Social Affairs, Sweden; **Emily Farchy**, Economist, Organisation for Economic Co-operation and Development (OECD); **Céline Jaeggy**, Director of Legal and Institutional Affairs, UNEDIC Q246–267

Wednesday 13 September 2023

Katherine Hill, Centre for Research in Social Policy, Loughborough University; **Emily Holzhausen OBE**, Director of Policy and Public Affairs, Carers UK; **Brian Dow**, Deputy Chief Executive, Rethink Mental Illness; **Tom Pollard**, Head of Social Policy, New Economics Foundation Q268–288

Adam Butler, Public Policy Manager, StepChange; **Duncan Shrubsole**, Director of Policy, Communications and Research, Lloyds Bank Foundation for England and Wales; **Jane Tully**, Deputy Chief Executive (Acting), Money Advice Trust Q289–305

Wednesday 6 December 2023

Rt Hon Mel Stride MP, Secretary of State for Work and Pensions; **Katie Farrington**, Director General for Disability, Health and Pensions, Department for Work and Pensions; **Katherine Green**, Director General for Labour Market Policy and Implementation, Department for Work and Pensions Q306–422

Published written evidence

The following written evidence was received and can be viewed on the inquiry publications page of the Committee's website.

BPI numbers are generated by the evidence processing system and so may not be complete.

1 Aberdeenshire North Foodbank (BPI0042)

2 Anonymised (BPI0013)

3 Anonymised (BPI0006)

4 Anonymised (BPI0003)

5 Association of British Insureres (BPI0100)

6 Become (BPI0102)

7 Bevan Foundation (BPI0040)

8 Carers Trust (BPI0031)

9 Centrepoint (BPI0021)

10 Changing Realities (BPI0057)

11 Chartered Institute of Housing (BPI0066)

12 Cheetham, Dr Mandy (Research Fellow NIHR Applied Research Collaboration (ARC) North East and North Cumbria (NENC) (NIHR200173) , Northumbria University); Bidmead, Dr Elaine (Senior Research Fellow NIHR Applied Research Collaboration (ARC) North East and North Cumbria (NENC) (NIHR200173) , University of Cumbria); Zerbi, Dr Catherine El (Research Fellow NIHR Applied Research Collaboration (ARC) North East and North Cumbria (NENC) (NIHR200173) , Newcastle University); and Morris, Dr Steph (Post Doctoral Research Associate, Newcastle University) (BPI0027)

13 Child Poverty Action Group (BPI0065)

14 Citizens Advice (BPI0097)

15 Citizens Advice in Somerset (formerly Citizens Advice Sedgemoor) (BPI0017)

16 Communications Consumer Panel (BPI0083)

17 Community Housing Cymru (BPI0037)

18 Coventry Citizens Advice (BPI0011)

19 Coventry Frontline Network (BPI0076)

20 Crisis (BPI0081)

21 Department for Work and Pensions (BPI0095)

22 Devizes and District Foodbank (BPI0032)

23 Disability Benefits Consortium (BPI0029)

24 Disability Rights UK (DR UK) (BPI0054)

25 East Lothian Foodbank (BPI0026)

26 Eastbourne Foodbank (BPI0039)

27 Edmiston, Dr Daniel (BPI0018)

28 Evaluation of the health impacts of Universal Credit: a mixed methods study (BPI0074)

29 Fabian Society (BPI0079)

30 Feeding Britain (BPI0087)

31 Fitzpatrick, Dr Ciara (Lecturer in Law, Ulster University); McKeever, Prof Gráinne (Professor of Law and Social Justice, Ulster University); Meers, Dr Jed (Lecturer in Law, York University); and Simpson, Dr Mark (Senior Lecturer in Law, Ulster University) (BPI0093)

32 Frontline Network (BPI0068)

33 Gingerbread (BPI0075)

34 Glasgow Caledonian University (BPI0096)

35 Good Things Foundation (BPI0034)

36 Greater Manchester Disabled People's Panel (BPI0007)

37 Greater Manchester Poverty Action (GMPA) (BPI0020)

38 Hospitality and Hope (BPI0077)

39 IncomeMax CIC (BPI0078)

40 Independent Food Aid Network (BPI0085)

41 Joseph Rowntree Foundation (BPI0001)

42 Joseph Rowntree Foundation and Trussell Trust (BPI0062)

43 Just Fair (BPI0008)

44 Leonard Cheshire (BPI0070)

45 Lloyds Bank Foundation for England & Wales (BPI0048)

46 London Councils (BPI0041)

47 MS Society (BPI0022)

48 Macmillan Cancer Support (BPI0028)

49 Marie Curie (BPI0045)

50 Millar, Professor Jane (Emeritus Professor of Social Policy, University of Bath); Griffiths, Dr Rita (Research Fellow, Institute for Policy Research, University of Bath); Bennett, Fran (Associate Fellow, University of Oxford); and Wood, Marsha (Research Assistant, Institute for Policy Research, University of Bath) (BPI0059)

51 National Residential Landlords' Association (BPI0043)

52 New Economics Foundation (BPI0082)

53 North Ayrshire Foodbank (BPI0012)

54 North East Child Poverty Commission (BPI0023)

55 Orbit Group (BPI0055)

56 Organise (BPI0015)

57 Parkinson's UK (BPI0063)

58 Policy in Practice (BPI0064)

59 Project 17 (BPI0088)

60 Propertymark (BPI0060)

61 Public Health Scotland (BPI0030)

62 Public Law Project (BPI0073)

63 Refuge (BPI0058)

64 Rethink Mental Illness (BPI0084)

65 Royal National Institute of Blind People (RNIB) (BPI0014)

66 Rural Issues Group of Citizens Advice (BPI0016)

67 Save the Children (BPI0089)

68 Scope (BPI0094)

69 Scottish Campiagn on Rights To Social Secuirty; and Child Poverty Action Group in Scotland (BPI0061)

70 Scottish Government (BPI0090)

71 Sense (BPI0071)

72 Shelter (BPI0019)

73 South Tyneside Council (BPI0033)

74 Spicker, Professor Paul (BPI0002)

75 St Mungo's (BPI0047)

76 StepChange Debt Charity (BPI0067), (BPI0101)

77 Sustainable Housing and Urban Studies Unit - University of Salford (BPI0051)

78 Swale Foodbank (BPI0024)

79 The Benefit Changes and Larger Families Research Team (BPI0035)

80 The Centre for Research in Social Policy, Loughborough University (BPI0036)

81 The Children's Society (BPI0052)

82 The Citizens' Economic Council on the Cost of Living (BPI0025)

83 The Food Foundation (BPI0056)

84 The Poverty Alliance (BPI0091)

85 Trades Union Congress (TUC) (BPI0086)

86 Transformation Cornwall (BPI0010)

87 Union of Shop Distributive and Allied Workers (Usdaw) (BPI0038)

88 University of Edinburgh (BPI0004)

89 Verdin, Dr Rachel (Research Fellow, Digital Futures at Work Research Centre, University of Sussex Business School); and Faith, Dr Becky (Research Fellow and Lead for Research Theme 4 , Institute of Development Studies and Digital Futures at Work Research Centre) (BPI0046)

90 Welfare at a (Social) Distance Research Team (BPI0050)

91 Welsh Government (BPI0069)

92 Wheatley Group (BPI0049)

93 Whiteford, Professor Peter (BPI0044)

94 Women's Regional Consortium, Northern Ireland (BPI0092)

95 YMCA England & Wales (BPI0072)

96 Z2K (BPI0009)

97 abrdn Financial Fairness Trust (BPI0053)

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the publications page of the Committee's website.

Session 2023–24

Number	Title	Reference
1st	Cost of Living Support Payments	HC 143
1st Special	Defined benefit pensions with Liability Driven Investments: Government Response to Committee's Seventh Report of Session 2022–23	HC 259
2nd Special	Cost of living support payments: Government Response to the Committee's First Report of Session 2023–24	HC 485

Session 2022–23

Number	Title	Reference
1st	The appointment of Dominic Harris as the Pensions Ombudsman and the Pension Protection Fund Ombudsman	HC 465
2nd	The cost of living	HC 129
3rd	Protecting pension savers – five years on from the pension freedoms: Saving for later life	HC 126
4th	Universal Credit and childcare costs	HC 127
5th	Health assessments for benefits	HC 128
6th	Children in poverty: Child Maintenance Service	HC 272
7th	Defined benefit pensions with Liability Driven Investments	HC 826
8th	Plan for Jobs and employment support	HC 600
1st Special	Children in poverty: No recourse to public funds: Government Response	HC 328
2nd Special	The Health and Safety Executive's approach to asbestos management: Government Response to the Committee's Sixth Report of Session 2021–22	HC 633
3rd Special	The cost of living: Government Response to the Committee's Second Report of Session 2022–23	HC 671
4th Special	Protecting pension savers—five years on from the pension freedoms: Saving for later life: Government, Financial Conduct Authority and Money and Pensions Service Responses to the Committee's Third Report of Session 2022–23	HC 1057
5th Special	Universal Credit and childcare costs: Government Response to the Committee's Fourth Report of Session 2022–23	HC 1266

Number	Title	Reference
6th Special	Health assessments for benefits: Government response to Committee's Fifth Report of Session 2022–23	HC 1558
7th Special	Children in poverty: Child Maintenance Service: Government Response to the Committee's Sixth Report	HC 1675
8th Special	Plan for Jobs and employment support: Government Response to the Committee's Eighth Report	HC 1867

Session 2021–22

Number	Title	Reference
1st	DWP's preparations for changes in the world of work	HC 216
2nd	Disability employment gap	HC 189
3rd	Children in poverty: Measurement and targets	HC 188
4th	Pension stewardship and COP26	HC 238
5th	Protecting pension savers—five years on from the Pension Freedoms: Accessing pension savings	HC 237
6th	The Health and Safety Executive's approach to asbestos management	HC 560
7th	Children in poverty: No recourse to public funds	HC 603

Session 2019–21

Number	Title	Reference
1st	DWP's response to the coronavirus outbreak	HC 178
2nd	The appointment of Dr Stephen Brien as the Chair of the Social Security Advisory Committee	HC 733
3rd	Universal Credit: the wait for a first payment	HC 204
4th	The temporary increase in Universal Credit and Working Tax Credit	HC 1193
5th	Protecting pension savers—five years on from the pension freedoms: Pension scams	HC 648
6th	The appointment of Sarah Smart as Chair of the Pensions Regulator	HC 1358