



House of Commons  
Work and Pensions Committee

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# **Work of the Committee 2008–09**

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**First Report of Session 2009–10**





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*Report, together with formal minutes*

*Ordered by the House of Commons  
to be printed 25 November 2009*

**HC 92**

Published on 13 January 2010  
by authority of the House of Commons  
London: The Stationery Office Limited  
£0.00

## The Work and Pensions Committee

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

### Current membership

Terry Rooney MP (*Labour, Bradford North*) (Chairman)  
Anne Begg MP (*Labour, Aberdeen South*)  
Harry Cohen MP (*Labour, Leyton and Wanstead*)  
Michael Jabez Foster MP (*Labour, Hastings and Rye*)  
Oliver Heald MP (*Conservative, Hertfordshire North East*)  
John Howell MP (*Conservative, Henley*)  
Joan Humble MP (*Labour, Blackpool North and Fleetwood*)  
Tom Levitt MP (*Labour, High Peak*)  
Greg Mulholland MP (*Liberal Democrat, Leeds North West*)  
Chloe Smith MP (*Conservative, Norwich North*)  
Jenny Willott MP (*Liberal Democrat, Cardiff Central*)

The following Members were also Members of the Committee during session 2008-09

Mark Harper MP (*Conservative, Forest of Dean*)  
John Penrose MP (*Conservative, Weston-Super-Mare*)

### Powers

The committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the Internet via [www.parliament.uk](http://www.parliament.uk).

### Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at [www.parliament.uk/parliamentary\\_committees/work\\_and\\_pensions\\_committee.cfm](http://www.parliament.uk/parliamentary_committees/work_and_pensions_committee.cfm). A list of Reports of the Committee in the present Parliament is at the back of this volume.

### Committee staff

The current staff of the Committee are James Rhys (Clerk), Emma Graham (Second Clerk), Amy Tarr and Hanna Haas (Committee Specialists), Laura Humble (Committee Media Adviser), Lisa Wrobel (Senior Committee Assistant), Hannah Beattie (Committee Assistant) and Sharon Silcox (Committee Support Assistant).

### Contacts

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# The Committee's work in 2008–09

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## Introduction

1. The Work and Pensions Committee examines the expenditure, administration and policy of the Department for Work and Pensions (DWP) and its associated agencies and public bodies. The executive agencies responsible to the DWP are Jobcentre Plus and the Pension, Disability and Carers Service. The Department also has ministerial responsibility for the Health and Safety Executive and the Child Maintenance and Enforcement Commission.

2. The Committee is comprised of 11 Members, representing three of the parties represented in the House. Jenny Willott, Member for Cardiff Central, has been a Member of the Committee since July 2005 but was appointed Liberal Democrat Shadow Secretary of State for Work and Pensions in June 2008 and felt it appropriate to stand aside from the Committee's proceedings while she occupied that position. She was not replaced on the Committee during this period. Mr Michael Jabez Foster, Member for Hastings and Rye, has also been a Member of the Committee since July 2005 but was appointed a Parliamentary Secretary in the Government Equalities Office in June 2009 and has not attended meetings of the Committee since that date. He has not been replaced on the Committee.

3. The Committee meets once or twice a week when the House is sitting. In 2008–09 the Committee took oral evidence at 19 of its 36 formal meetings. We also receive a large quantity of written evidence during the year and we are grateful to the many individuals and organisations who responded to our requests for evidence; we have printed a total of 151 of these with our reports and transcripts of one-off evidence sessions, and have published additional memoranda on our website. A full statistical sessional return of the Committee's activities is published in the Annex to this report.<sup>1</sup>

## The impact of the recession

4. The UK economy fell into a severe recession during the 2008–09 session due to the financial crisis that unfolded following the bank failures of autumn 2008. Scrutiny of the Department's response to the economic downturn has underpinned much of our work this session.

5. We took an early opportunity to examine this response in January 2009 when we questioned the then Secretary of State, Rt Hon James Purnell, MP, on the programmes that were being established to help the increased number of Jobseeker's Allowance (JSA) claimants.<sup>2</sup> We also held an evidence session with Mel Groves, acting Chief Executive of Jobcentre Plus, in March to assess how the agency was coping with the huge increase in the

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<sup>1</sup> This Annex consists of a provisional text of the Committee's entry in the House of Commons, Sessional Returns 2008–09, expected to be published in January 2010

<sup>2</sup> Department for Work and Pensions' response to the economic downturn, Oral and written evidence, 14 January 2009, HC 147.

claimant count and the new programmes it was providing.<sup>3</sup> We followed this up with oral evidence on the Department's Annual Report for 2009 with the current Secretary of State, Rt Hon Yvette Cooper, MP.<sup>4</sup>

6. The pre-budget report in November 2008 announced additional funding to support Jobcentre Plus (including its Rapid Response Service) and the roll-out of the Flexible New Deal and the expansion of Local Employment Partnerships. The Employment Summit in January 2009 announced a further package of measures to support those claiming JSA for more than six months together with a recruitment subsidy worth £1000 for employers recruiting unemployed people through Local Employment Partnerships and a training subsidy of £1,500 through Train to Gain. The then Secretary of State told us in January that he identified the challenge to Jobcentre Plus as being to maintain rates of processing of new applications for benefits and maintain levels of service in offering appointments and work-focused interviews as well as providing the additional services promised.<sup>5</sup>

7. The 2009 Budget announced a guaranteed offer of six months of employment, a work placement or training for all those aged 18–24 claiming JSA for more than 12 months. It allocated an additional £1.108 billion to a package of programmes including the Future Jobs Fund, which aimed to create 100,000 jobs from January 2010 for those aged 18–24 plus 50,000 jobs for all ages in unemployment “hot spots”. It also provided for training and recruitment subsidies; support for jobs and training in the social care sector; work-focused training places; and places on a Community Task Force Programme.<sup>6</sup> We were able to discuss the full range of additional programmes that had been announced, and how the Department was allocating and monitoring this additional spending in our evidence session with the Secretary of State in October 2009.

8. The Jobcentre Plus Annual Report notes that new JSA claim volumes rose from an average of around 45,000 per week to a peak of 95,000 per week in February 2009. During the Spending Review 2004 period (financial years 2005–06 to 2007–08), Jobcentre Plus reduced its headcount by over 16,000, in pursuance of the Department's efficiency target, to a level of 66,378 full time equivalent. However, the increased workload resulting from the recession has required more staff and Jobcentre Plus has responded through retention of temporary staff, new recruitment of staff (many on fixed term appointments), and transfers of staff from elsewhere in the Department and Government. Jobcentre Plus was expected to reach a complement of 82,000 full time equivalent staff by October 2009, with a view to reaching 85,000 by March 2010.<sup>7</sup> Our evidence session in March with Mel Groves enabled us to examine how effectively the organisation was managing this transition.

9. The need to increase staff resources so quickly to cope with the heightened demand for its services and the additional services expected of it has been a huge challenge for

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<sup>3</sup> Jobcentre Plus, Oral and written evidence, 11 March 2009, HC 339.

<sup>4</sup> Department for Work and Pensions' Annual Report 2009, Oral and written evidence, 14 October 2009, HC 977.

<sup>5</sup> The Department for Work and Pensions' response to the economic downturn, Oral and written evidence, 14 January 2009, HC 147, Q34.

<sup>6</sup> Department for Work and Pensions, Departmental Report 2009, page 15.

<sup>7</sup> Department for Work and Pensions' Annual Report 2009, Oral and written evidence, 14 October 2009, HC 977, written evidence (memorandum from the Department to the Committee dated 8 October 2009).



Jobcentre Plus. In evidence to us on the Departmental Report 2009, Sir Leigh Lewis, Permanent Secretary of the Department told us that

“I am satisfied that we have responded well, and I would just like to say as the Permanent Secretary that I think it is a remarkable tribute to Jobcentre Plus and the department that they have responded so effectively to the recession and the increased demands which have come on them, which have been very substantial, and I think any organisation, public or private, would have found difficult to cope with. I think we have been able to respond swiftly and effectively.”<sup>8</sup>

10. We are pleased to endorse Sir Leigh’s tribute to the staff and management of Jobcentre Plus for rising to the challenges of the past year.

11. In total, the Department has been allocated an additional £4.5 billion over the Comprehensive Spending Review 2007 (CSR07) period, covering financial years 2008–09 to 2010–11, to provide additional support to Jobcentre Plus, to provide for the range of new programmes for the unemployed and to support providers of employment programmes in the provision of existing programmes and the roll-out of the Flexible New Deal. We have seen it as a priority during this session to maintain a close eye on how effectively and efficiently this additional money is being spent. It will be a challenge for our successor Committee in the next Parliament to maintain careful oversight of how the remainder of this money is spent over the rest of the CSR07 period. We hope that, in time, demand for the services of Jobcentre Plus will fall again, and it will be a further challenge to the agency to manage this change ensuring that its resources continue to be used efficiently.

### Inquiries: the “Core Tasks”

12. Our work this session has comprised a number of substantial inquiries on which reports have been (or are intended to be) produced, in addition to a range of one-off evidence sessions. The subjects covered by the Committee are set out in the table below.

**Table 1: Subjects covered by the Work and Pensions Committee, 2008-09**

<b>Subject</b>	<b>Evidence Sessions</b>	<b>Outcome</b>
Pension, Disability and Carers Service	1	Evidence published, HC 104, February 2009
Department for Work and Pensions' commissioning strategy and the employment programme market	1 (2 sessions were held in Session 2007–08)	Second Report, HC 59, March 2009
The Equality Bill: how disability equality fits within a single Equality Act	3	Third Report, HC 158, April 2009
Workplace health and safety: follow-up report	1	Fourth Report, HC 635, July 2009

<sup>8</sup> Department for Work and Pensions' Annual Report 2009, Oral and written evidence, 14 October 2009, HC 977, Q16.

The work of DWP's Inquiry into the underlying causes of construction fatalities	1	Published with Fourth Report, HC 635, July 2009
Tackling Pensioner Poverty	3	Fifth Report, HC 411, July 2009
Jobcentre Plus	1	Evidence published, HC 339, July 2009
DWP's Autumn Performance Report 2008	1	Evidence published, HC 363, July 2009
Child Poverty	1	Evidence published, HC 702, July 2009
Department for Work and Pensions' response to the economic downturn	1	Evidence published, HC 147, November 2009
Fuel Poverty	1	Evidence published, HC 752, November 2009
Decision making and appeals in the benefits system	2	Committee to report in 2010
Departmental Report 2009	1	Evidence to be published
The Equality and Human Rights Commission's "Working Better" project	1	Evidence to be published

13. In planning our work, we are also mindful of the "Core Tasks" proposed for Select Committees by the Liaison Committee. The following table shows how our work has met the criteria identified by the Liaison Committee.

**Table 2: Liaison Committee criteria relevant to 2008–09 inquiries**

	To examine policy proposals from the UK Government and the European Commission in the Green Papers, White Papers and draft Guidance	To identify and examine areas of emerging policy, or where existing policy is deficient, and make proposals	To conduct scrutiny of any published draft bill within the Committee's responsibilities	To examine specific output from the Department expressed in documents or other decisions	To examine the expenditure plans and out-turn from the department, its agencies and principal NDPB's	To examine the department's Public Service Agreements, the associated targets and the statistical measurements employed, and report if appropriate	To monitor the work of the Department's Executive Agencies NDPB's regulators and other associated public bodies	To scrutinise major appointments made by the Department	To examine the implementation of legislation and major policy initiatives	To produce reports which are suitable for debate in the House, including Westminster Hall, or debating committees
Department for Work and Pensions' commissioning strategy and the employment programme market	✓									
The Equality Bill: how disability equality fits within a single Act	✓					✓				✓
Workplace health and safety: follow-up report		✓					✓			
The work of DWP's Inquiry into the underlying causes of construction fatalities		✓						✓		
Tackling Pensioner Poverty		✓				✓	✓			
Pension, Disability and Carers Service						✓	✓			
Jobcentre Plus					✓		✓			
DWP's Autumn Performance Report 2008					✓	✓				
Child Poverty	✓					✓				✓
Department for Work and Pensions' response to the economic downturn	✓				✓					
Fuel Poverty						✓				
Decision making and appeals in the benefits system		✓								
The Equality and Human Rights Commission's "Working Better" project	✓						✓			































































