



House of Commons  
Work and Pensions Committee

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**Monitoring the  
performance of the  
Department for Work  
and Pensions in  
2012-13**

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**Third Report of Session 2013–14**

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Work and Pensions Committee

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**Third Report of Session 2013–14**

*Report, together with formal minutes*

*Ordered by the House of Commons  
to be printed 12 March 2014*

**HC1153**  
Published on 18 March 2014  
by authority of the House of Commons  
London: The Stationery Office Limited  
£0.00

## The Work and Pensions Committee

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### Committee staff

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## Summary

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This report provides an assessment of DWP's performance in delivering a number of policy reforms during 2012 and 2013, based on its Annual Report & Accounts 2012-13, published in December 2013, and on a number of oral evidence sessions with Ministers.

### *Welfare spending reductions: benefits up-rating*

- The Government decided to limit benefits up-rating to 1% for three years from April 2013 rather than linking it to a measure of inflation. Its rationale for this is that it is fairer given that wages have risen by only around 1% in recent years.
- The Government needs to monitor the impact of this reform on benefit claimants. Studies have shown that average annual rates of inflation that the poorest people face are typically much higher than those experienced by wealthier people. This means that people on benefits are likely to be hard hit by a 1% limit on benefit up-rating, particularly as many of them may also be affected by other welfare reforms, including the benefit cap and changes in entitlement to disability and housing benefits.

### *Implementation of Personal Independence Payments (PIP)*

- New claims for PIP began, and DLA ceased to be available for new working-age claimants, from April 2013. Migration of existing DLA claimants to PIP followed in October 2013, although at a slower rate than originally envisaged.
- People making claims for PIP since April 2013 have faced long delays—in some cases as much as six months or more—before they are given a decision on their eligibility. Some of the affected claimants are people with terminal illnesses.
- The current level of service offered to PIP claimants and the length of time claimants are waiting for decisions on their PIP applications is not acceptable. Urgent action is required. Penalty clauses contained in the contracts with assessment providers (Atos Healthcare and Capita Business Services) should be invoked if necessary.
- DWP should clear the existing backlog of claims, and reduce the average time taken to process new claims to the expected 74 days, before it extends the natural reassessment of existing DLA claims to other parts of the country.
- DWP needs to address the stress and uncertainty being faced by PIP claimants suffering delays. It should set out a plan for informing claimants about the delays they are likely to face, as recommended by the National Audit Office.
- It is particularly important that claims from terminally ill people are expedited. DWP should set a target of seven days for processing PIP claims from terminally ill people and devote all the necessary resources to ensuring that this target is met.

### *Local welfare assistance*

- In April 2013, the Government passed responsibility for providing emergency hardship support previously available from the discretionary Social Fund (Crisis Loans and Community Care Grants) to the devolved administrations, and to local authorities in England, which have established their own local welfare support schemes.
- DWP funded the new schemes in 2013-14 and 2014-15 but this will end in April 2015. After this, local authorities will have to finance their welfare support schemes from their overall grant settlement. It is not yet clear whether additional funding will be provided within the grant to take account of this additional responsibility.
- The Government should provide sufficient funding to local authorities to run their local welfare support schemes effectively after April 2015, either by continuing DWP funding beyond this date, until it has a clear picture of the level of demand; or by increasing the local government settlement by the full amount that would have been allocated for these elements of the discretionary Social Fund.

### *Pension reforms*

- The steps taken by the Government to ban member-borne consultancy charges in workplace pension schemes used for automatic enrolment are welcome. However, more action is needed to deal with excessive charges, and the lack of transparency in pensions costs and charges, including the imposition of a charge cap.
- The Government and the regulators have had clear evidence for some time that the open market in annuities is not yet working in the best interests of the majority of pension scheme members. They should take urgent action to make the open market option a realistic one for all those who purchase annuities, not just the minority who are currently able to negotiate it successfully.

### *Child maintenance reforms*

- The Government's new child maintenance scheme (the "2012 scheme") was opened to all new applicants in November 2013. During 2014, once the new scheme is seen to be "working well", DWP will begin a process of ending liabilities on all existing Child Support Agency (CSA) cases over a three-year period.
- Parents will be charged for using the new statutory scheme. The impact of charging needs to be carefully monitored, and interim updates regularly published, given that a full evaluation will not take place until 30 months after charging begins. Assessing the extent to which charging deters parents from having any maintenance agreement in place at all, is particularly important.

- DWP needs to provide more clarity and detail on the schemes it is funding to support parents to come to voluntary arrangements which are workable, and acceptable to both parents, and how these will be evaluated, extended and publicised.
- There is also a lack of clarity about DWP's strategy for dealing with child maintenance arrears—both historic arrears and those in the new 2012 scheme—which needs to be addressed. DWP needs to ensure that the decisions it takes regarding the collection of arrears are transparent and communicated clearly to all parents affected by the new arrangements.

### *Use of DWP statistics*

- DWP releases a great deal of statistical information about benefits. 2013 saw heightened and quite widespread concern—in the UK Statistics Authority, and organisations representing disabled people, as well as this Committee—about the DWP commentary accompanying releases of benefits statistics.
- The UK Statistics Authority investigated some of these cases and highlighted changes it wished to see both in DWP practice, and more widely across Government, in the way benefit statistics are released to the media.
- The Government is doing a great deal to promote a positive image of disabled people but this risks being undermined if the language used in DWP press releases and ministerial media comments about benefit statistics adopts a tone which feeds into negative views about people on benefits, including disabled people.
- Government statistics should be used objectively to shed light on policy implementation, not to prop up established views and preconceptions. DWP should set out the specific steps it is taking to ensure that statistics are released in a way which is accurate, and fair to benefit claimants.



# 1 Introduction

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In this report our conclusions are set out in **bold type** and our recommendations, to which the Government is required to respond, are set out in ***bold italic type***.

1. It is our normal practice to examine each year's Department for Work and Pensions (DWP) Annual Report and Accounts (ARA). Our scrutiny usually includes taking oral evidence from the Secretary of State and senior DWP officials.

2. The 2012-13 ARA was due to be published in June. However, publication was delayed due to prolonged negotiations between the Department and the National Audit Office on the treatment of Universal Credit IT expenditure in the Accounts and the length of time it took to reach agreement on the level of the necessary write-off. The ARA was eventually published on 10 December 2013.<sup>1</sup>

3. As a result, we had to postpone our planned oral evidence session, first from September to November 2013, and then to 9 December, to accommodate the Secretary of State's request that we await publication of the ARA before he appeared before us.<sup>2</sup> With good reason, Universal Credit dominated this oral evidence session and the Secretary of State agreed to appear before us again, on 3 February 2014, to discuss other issues arising from the ARA (although in the event Universal Credit issues were also covered at the second session, to take account of further developments).<sup>3</sup>

4. We plan to address Universal Credit implementation in a separate report. In this report, we highlight some of the key expenditure issues arising from the ARA. We have also used this opportunity to draw together our findings from a number of other ministerial oral evidence sessions which took place in 2013 on major policy developments including: implementation of Personal Independence Payments; pension reform; and child maintenance reform.

5. Although our evidence sessions with the Secretary of State on the ARA were subject to regrettable delays, we are grateful to DWP Ministers and officials for their general willingness to make themselves available to give oral evidence to us.

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<sup>1</sup> DWP, [Annual Report & Accounts 2012-13](#), December 2013, HC 20

<sup>2</sup> Oral evidence taken on [9 December 2013](#) from the Secretary of State for Work and Pensions, HC 867

<sup>3</sup> Oral evidence taken on [3 February 2014](#) from the Secretary of State for Work and Pensions, HC 867

## 2 Welfare spending trends and reductions

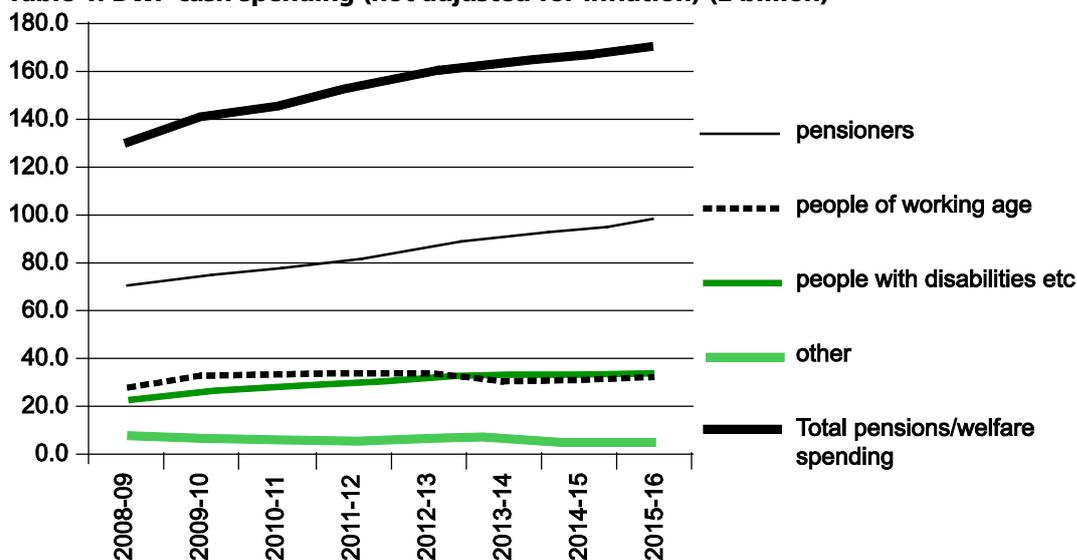
### Spending trends

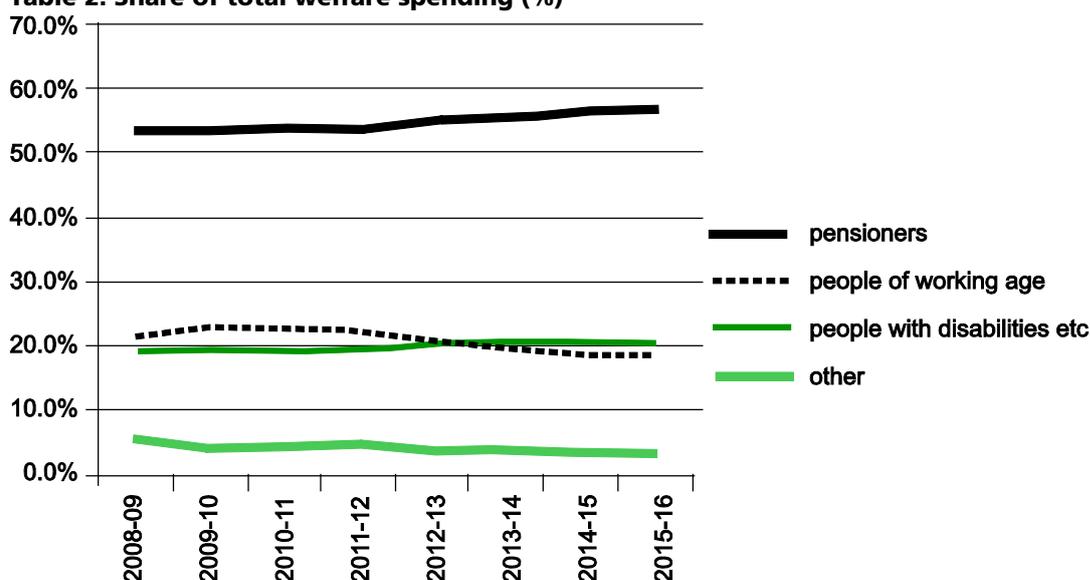
6. The DWP Annual Report and Accounts 2012-13 shows that overall welfare expenditure continues to rise.

DWP total welfare/ pension spending (£ billion)	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 forecast	2014-15 forecast	2015-16 forecast
Cash terms	131.2	141.9	146.5	154.4	160.6	163.7	167.2	171.3
Adjusted (2008/09 prices)	131.2	138.1	139.0	143.2	146.3	146.2	146.3	147.6

The trends in expenditure across the range of benefits and pensions paid by the Department are shown in the tables below.

**Table 1: DWP cash spending (not adjusted for inflation) (£ billion)**



**Table 2: Share of total welfare spending (%)**

Source: *DWP Annual Report and Accounts 2012-13*, Annex 1 expenditure tables (core tables): Table 1: Public spending. Figures in the table and graphs show the Annually Managed Expenditure items from this table (pp 168-169)

The key indications are that:

- *cash* spending on welfare continues to rise, from £131 billion in 2008-09 and £146 billion in 2010-11 to a projected £171 billion in 2015-16.
- In *real* terms welfare spending is projected to stabilise and then to rise slightly by 2015-16.<sup>4</sup>
- The *share* of DWP's total welfare spending on:
  - pensioners continues *to rise* (despite increases in state pension age) with the growth in population and longevity rates, and constitutes well over 50% of total expenditure;
  - people of working age is projected *to fall* to under 20% by 2015-16;
  - people with disabilities *is rising slightly* to just over 20% by 2015-16.

However, DWP believes that welfare spending as a percentage of GDP is now falling, as the economy starts to grow.<sup>5</sup>

## Welfare spending reductions

7. The Government says that its 2010 reforms will have achieved savings of £50 billion in the welfare budget by the end of this Parliament in 2015, half of which will have been saved

<sup>4</sup> Adjusted using actual and projected GDP deflator series (at market prices percentage change on last year). See HM Treasury, [GDP deflators at market prices, and money GDP](#), December 2013. Figures for 2013-14 to 2015-16 are taken from the OBR's figures in the [Autumn Statement 2013](#), Table B.2, p 111

<sup>5</sup> DWP [Mid Year Report to Parliament, April to September 2013](#), 23 January 2014, Executive Summary

by the end of the current financial year (2013-14). The Government aims to save a further £18 billion in financial year 2014-15.<sup>6</sup>

8. The Permanent Secretary told us that the key elements in these savings were: the 1% limit on benefits up-rating; time-limiting of contributory Employment and Support Allowance (ESA); and housing benefit reforms.<sup>7</sup> (Benefits up-rating is discussed below. We have explored the impact of reform of support for housing costs in detail in a separate inquiry. We have begun a new inquiry into ESA).

## Benefits up-rating

9. As highlighted by DWP, one of the main elements contributing to the reduction in welfare expenditure achieved in 2013-14 is the Government's decision to limit benefit up-rating to 1% for three years from April 2013 (excluding State Pensions), rather than it being linked to a measure of inflation. The Department estimated that this would save £246 million in 2013-14 (DWP benefits only).<sup>8</sup> The Government's rationale is that it is fairer to link benefits up-rating more closely to wage inflation. In the 2012 Autumn Statement the Chancellor said:

[...] average earnings have risen by about 10% since 2007. Out-of-work benefits have gone up by about 20%. That is not fair to working people who pay the taxes that fund them. Those working in the public services, who have seen their basic pay frozen, will now see it rise by an average of 1%. A similar approach of a 1% rise should apply to those in receipt of benefits. That is fair and it will ensure that we have a welfare system that Britain can afford.<sup>9</sup>

10. ONS figures show that:

- for most months during 2013 average rises in total pay hovered around 1%.<sup>10</sup>
- From 2008 to 2012—with inflation generally higher than wage rises—benefit up-ratings, based on inflation, were generally higher than average rises in total pay.
- Inflation has recently fallen to the lowest level for some time, to 2%.<sup>11</sup>

For the remaining period of the 1% benefits up-rating, there is uncertainty as to the future likely growth in wages.

11. Although there is a logic to linking increases in benefit rates to wage inflation, the potential impact on benefit claimants needs to be borne in mind. Expenditure on essentials

<sup>6</sup> HM Treasury [Autumn Statement 2013](#), , December 2013, Cm 8747, para 1.96

<sup>7</sup> Oral evidence taken on [3 February 2014](#), HC 867, Q242; see also HM Treasury, [Spending Round 2013](#), June 2013, Cm 8639, Executive Summary, p 7

<sup>8</sup> [DWP written evidence: response](#) to questions from the Committee on the Main Supply Estimate 2013-14

<sup>9</sup> HC Deb, 5 December 2012, [col 879](#)

<sup>10</sup> ONS, [Labour market statistics](#), January 2014, p 4 (refers to annual growth of 0.9% in average weekly earnings)

<sup>11</sup> ONS, [Labour market statistics](#), December 2013

such as rent, heating and food is generally thought to be higher for people on low incomes. The proportional impact of price rises can therefore vary according to income. The Institute for Fiscal Studies (IFS) produced a report in 2011 showing that the poorest fifth of households faced an average annual inflation rate of 4.3% between 2008 and 2010, whilst the richest fifth experienced a rate of just 2.7% a year over the same period.<sup>12</sup>

12. We asked the Secretary of State what assessment the Department had carried out of the impact that the limit on up-rating had had so far on claimants. He said that “the evidence we get is that people are by and large managing” and he highlighted that local welfare assistance schemes were in place to provide support for claimants who were facing hardship.<sup>13</sup> We discuss local welfare assistance provision below.

***13. Studies have shown that people on low incomes spend a higher proportion of income on rent, heating and food, which are often subject to higher inflation rates than general expenditure. The average annual rate of inflation that the poorest people face may therefore be significantly higher than that incurred by wealthier people. This may mean that people on benefits are likely to be hard hit by a 1% limit on benefit up-rating. We recommend that the Government monitor the impact of this reform on benefit claimants, particularly as many of them may also be affected by other reforms, including those to housing benefit, the introduction of the benefit cap, and changes in entitlement to disability benefits.***

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<sup>12</sup> Institute for Fiscal Studies, [The spending patterns and inflation experience of low-income households over the past decade](#), June 2011. Inflation figures taken from ONS average weekly earnings data, [Labour market statistics](#), December 2013

<sup>13</sup> Oral evidence taken on [3 February 2014](#), HC 867, Q245

### 3 Implementation of Personal Independence Payments

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14. The Government decided early in this Parliament to abolish Disability Living Allowance (DLA) for working-age people and replace it with a new benefit—Personal Independence Payment (PIP). The necessary legislative changes formed part of the Welfare Reform Act 2012.

15. DLA provides non-means-tested support for additional living costs arising from long-term disability or health conditions. It is available to people who are both in and out of work and is claimed by a significant number of people: DWP estimated that there would have been 2.2 million working-age DLA claimants in 2015-16 without the reforms.<sup>14</sup>

16. New claims for PIP began, and DLA ceased to be available for new working-age claimants, from April 2013. Migration of existing DLA claimants to PIP followed in October 2013, although at a slower rate than originally envisaged (see below).

17. We became concerned in autumn 2013, based on our own constituency experience and that of other Members, and reports we were receiving from disability organisations, that there were problems with PIP implementation. Claimants have faced long delays—in some cases six months or more—before they have received a decision on their eligibility. Some of the affected claimants are people with terminal illnesses. Problems have also been reported in the service that claimants are receiving, both from DWP and from its contracted providers for PIP, Atos Healthcare and Capita Business Services. We decided to put our concerns to the Minister for Disabled People (Mike Penning MP) in an oral evidence session, which took place on 11 December 2013.<sup>15</sup> This chapter explores our concerns and the action DWP is taking in response.

18. The National Audit Office (NAO) published a report on *Personal Independence Payment: early progress* on 27 February.<sup>16</sup> The report provides a detailed commentary on progress with PIP implementation. The NAO clearly shares many of our concerns about the process and the impact of delays and service deficiencies on claimants: its overall conclusion is that “early operational performance has been poor: leading to delays and uncertainty for claimants”.<sup>17</sup> Our colleagues on the Public Accounts Committee plan to follow their usual practice of taking oral evidence on the NAO report from DWP and other witnesses shortly.

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<sup>14</sup> DWP, [Personal Independence Payment: assessment thresholds and consultation](#), January 2012, tables 1 and 2.

<sup>15</sup> Oral evidence taken on [11 December 2013](#) from the Minister for Disabled People, HC 911

<sup>16</sup> National Audit Office, [Personal Independence Payment: early progress](#), HC 1070, 27 February 2014 (hereafter “NAO report”).

<sup>17</sup> [NAO report](#), Summary, para 21

## Background to the policy reform

19. HM Treasury announced the Government's intention to reform DLA in the June 2010 emergency Budget. The Government's stated aim was to tackle the rising caseload and cost of DLA by introducing a new face-to-face eligibility assessment. Its assumption was that it would achieve a 20% reduction in caseload and expenditure, saving the Exchequer over £1 billion by 2014-15.<sup>18</sup>

20. In December 2010, DWP consulted on detailed proposals to replace DLA for working-age people with a new benefit—PIP.<sup>19</sup> In our Report on the introduction of PIP published in February 2012, we accepted that there were a number of sound arguments for reforming DLA; in particular that it lacked a consistent and clear system for reviewing awards. However, we expressed a number of specific concerns with the policy as proposed at the time. These focused mainly on: the need to ensure that the PIP assessment contracts incentivised accurate and consistent assessment reports (drawing on previous experience of the difficulties with the Work Capability Assessment used to determine eligibility for Employment and Support Allowance); and the requirement for further testing of the PIP eligibility criteria before the policy was implemented, even if this meant slowing down the implementation timetable.<sup>20</sup>

### Key elements of PIP

21. Like DLA, PIP is a non-contributory, non-means-tested cash benefit which is intended to contribute to the extra costs incurred by disabled people in overcoming barriers to leading full and active lives. PIP has “daily living” and “mobility” components, similar to DLA's care and mobility components. However, each PIP component is paid at two rates—standard or enhanced—whereas the DLA care component is currently paid at three different rates.<sup>21</sup>

22. The Government's intention was to introduce a more rigorous process for establishing entitlement to PIP than was the case for DLA: a much higher proportion of claimants will undergo a face-to-face assessment, carried out by external providers. Contracts for the PIP assessment were awarded to private contractors on the basis of “regional lots”. Contracts were awarded to Atos Healthcare in North East England, North West England and Scotland (Lot 1) and London and Southern England (Lot 3). Capita Business Services Ltd was awarded the contracts covering Wales and Central England (Lot 2) and Northern Ireland (Lot 4).<sup>22</sup> The NAO states that, out of the £200 million annual cost of administering

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<sup>18</sup> HM Treasury/HMRC, *Budget 2010 Policy Costings*, June 2010, p 36

<sup>19</sup> DWP, *Disability Living Allowance Reform: Public Consultation*, December 2010, Cm 7984

<sup>20</sup> Work and Pensions Committee, *Government support towards the additional living costs of working-age disabled people*, Seventh Report of Session 2010–12, HC 1493, Summary, p 4

<sup>21</sup> See DWP, *Disability Living Allowance Reform*, December 2010, Cm 7984, Chapter 2, para 16

<sup>22</sup> See DWP, *Health and Disability Assessment Services Framework*

PIP, DWP expects to pay £127 million to the contracted providers to carry out the assessments.<sup>23</sup>

### Changes to PIP implementation timetable

23. HM Treasury's original announcement of DLA reform included an assumption that PIP would be fully implemented, including reassessment of existing working-age DLA claims, over three years from 2013, with 25% of current working-age DLA recipients reassessed for PIP in 2013–14, 75% of the total by the end of 2014–15 and 100% by the end of 2015–16.<sup>24</sup> The then Minister for Disabled People (Maria Miller MP) told us in December 2011 that she expected all new claims for PIP to be accepted from 2013.<sup>25</sup> Ministers later indicated that DWP intended to move away from a “big-bang” approach to implementation: new claims taken from April 2013 would be limited to “a few thousand per month for the first few months” and initially in one geographical area only, before being extended nationally from June 2013.<sup>26</sup> Reassessment of existing DLA claims was planned to commence in autumn 2013, beginning with fixed-term claims that were due for renewal or in which the claimant had reported a change in circumstances—termed “natural reassessment”.

24. In December 2012, DWP outlined further revised plans for implementation of PIP taking account of the responses to its consultations. This confirmed the arrangements for new claims and the beginning of natural reassessment of existing DLA claims. The major change announced was that the process for reassessing all remaining working-age DLA claims, which was originally scheduled to begin from October 2013, would not commence until 2015. This means that the majority of existing claimants will not be reassessed until 2015 or later. Reassessment is now scheduled to be completed by the end of 2017.<sup>27</sup>

### Further changes to the timetable announced in October 2013

25. New claims for PIP began as planned in April 2013 in one area and were extended nationally from June.<sup>28</sup> In October, DWP announced that roll-out of PIP to existing DLA claimants had started under the natural reassessment process previously announced. However, this was initially limited to four geographic areas: Wales, East Midlands, West Midlands and East Anglia.<sup>29</sup> In January, the reassessment process was extended to parts of

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<sup>23</sup> [NAO report](#), Summary, para 4

<sup>24</sup> HM Treasury/HMRC, [Budget 2010 Policy Costings](#), June 2010, p 36

<sup>25</sup> Work and Pensions Committee, [Government support towards the additional living costs of working-age disabled people](#), Seventh Report of Session 2010–12, HC 1493, para 161

<sup>26</sup> HL Deb, 18 January 2012, [col 527](#)

<sup>27</sup> DWP press release, 28 October 2013, “[Personal Independence Payment rolls out to existing claimants](#)”; See also DWP, [PIP: Reassessments and Impacts](#), December 2012

<sup>28</sup> [DWP written evidence](#), para 5

<sup>29</sup> DWP press release, 28 October 2013, “[Personal Independence Payment rolls out to existing claimants](#)”

Scotland, and in February to parts of North West and North East England, by designated postcode.<sup>30</sup>

### ***Impact of the delayed implementation on costs and savings***

26. DWP was not able to tell us in December what the likely impact of the delayed implementation on projected costs and savings would be.<sup>31</sup> The NAO report estimates that cumulative savings during the Spending Review period will be £640 million compared with the original estimate of £740 million. However, it notes that the Department still expects to achieve the projected £3 billion in savings from the introduction of PIP by 2018-19.<sup>32</sup>

### ***Concerns about delays in deciding claims and service to claimants***

27. The DWP Benefits Director, Jason Feeney, told us that DWP's original estimates were "that it would be a 12 to 15-week timeline in terms of getting through the process, right through from application and initial phone call to the decision". However, in practice "the process is taking longer than that in most cases" because "the assumptions we made about how long different parts of the process would take have not been reflected in live running".<sup>33</sup>

28. The first Official Statistics on PIP will not be published until spring 2014. In the meantime, DWP published "management information" on 11 February 2014 which provides some data on PIP claims.<sup>34</sup> These figures bear out the concerns that decisions on claims are taking far longer than anticipated. The cumulative total of new claims to December 2013 was 229,700; the number of decisions made was 43,800. This means that decisions had been made in fewer than 20% of new claims made since April 2013. The NAO report highlights that, in its sample of early claims, claimants were waiting 107 days to receive a decision, against an expectation of 74 days.<sup>35</sup>

### ***Reasons for the delays in decisions on awards***

29. Jason Feeney explained that there were three main reasons for the delays in decisions being made:

- Claimants were not getting through the security questions used to confirm an individual's identity when they made the required initial application by telephone. This meant that a follow-up call was required. DWP was seeking to address this by

<sup>30</sup> See DWP website "[Introducing PIP: Timetable](#)" accessed 26 February 2014. The postcode areas in Scotland are those beginning: DG (Dumfries and Galloway), EH (Edinburgh), TD (Galashiels) and ML (Motherwell); and in the North of England CA (Carlisle), DL (Darlington), HG (Harrogate), LA (Lancaster) and YO (York)

<sup>31</sup> DWP [supplementary written evidence](#), January 2014

<sup>32</sup> [NAO report](#), Summary, para 13 and NAO press release, [27 February 2014](#), Personal Independence Payment: early progress

<sup>33</sup> Oral evidence taken on [11 December 2013](#), Q68 and [DWP written evidence](#) para 23

<sup>34</sup> DWP, [Personal Independence Payment: Management Information](#), February 2014

<sup>35</sup> [NAO report](#), para 2.7

broadening the range of security questions to help claimants through the security process.<sup>36</sup> The NAO report indicates that DWP assumed that new claims information would conflict with existing data in only 20% of claims; the actual figure for initial claims was 83%.<sup>37</sup>

- Claimants were taking longer than expected to return the written claim form (the PIP2 form) which follows the initial registration of a claim by telephone. Four weeks are allowed for this but it was taking longer for claimants to provide the necessary supporting information. DWP was looking at ways to improve the way it communicated with claimants, so that they understood what was required. It was also considering options to carry out more of the process by phone, or allowing claimants to submit evidence electronically.<sup>38</sup>
- The contracted providers were taking longer to carry out the assessment process than envisaged. This included booking the appointment for the face-to-face assessment; carrying out the assessment; auditing the assessment; and passing the recommendation back to the DWP decision-maker for the final decision on the claim.<sup>39</sup>

### **Face-to-face assessments**

30. DWP told us that the providers had been set a target to carry out 97% of the assessments within a six-week period. However, it could not provide us with any statistics on the extent to which this target had been met when we took oral evidence in December.<sup>40</sup> The NAO report notes that DWP originally estimated that the providers would return an assessment, including the quality audit, within 30 working days. By the end of October Atos had completed 55% of assessments within this timeframe and Capita 67%.<sup>41</sup>

31. Dr Bill Gunnyeon, the DWP Chief Medical Adviser, explained that Atos and Capita were using different delivery models: Atos was operating through a “supply chain”; Capita had a “more in-house” approach “with a significant home assessment component”.<sup>42</sup> Both providers had encountered difficulties. Atos had realised that the supply chain approach, which required training new healthcare professionals (HCPs) to carry out the assessments, and then auditing them, “does actually make it more time consuming than perhaps had been anticipated”.

32. Dr Gunnyeon also highlighted that the HCPs for both Capita and Atos “are subject to 100% audit of their cases until they demonstrate they have achieved the required standard”. HCPs are required to achieve five consecutive A grade assessments before they are approved. He acknowledged that the 100% audit “builds in delay” but he believed that this

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<sup>36</sup> Oral evidence taken on [11 December 2013](#), Q68; see also Q97

<sup>37</sup> [NAO report](#), Summary para 17 and para 3.20

<sup>38</sup> Oral evidence taken on [11 December 2013](#), Q72-3

<sup>39</sup> Oral evidence taken on [11 December 2013](#), Qq69-70

<sup>40</sup> Oral evidence taken on [11 December 2013](#), Qq76-77

<sup>41</sup> [NAO report](#), Summary, para 17

<sup>42</sup> Oral evidence taken on [11 December 2013](#), Q81

was now “starting to ease” because “we have now got an increasing number of healthcare professionals who are fully approved [...] and therefore are no longer on 100% case audit.”<sup>43</sup> The NAO highlights that, at the end of August 2013, when DWP realised the extent of the backlog, it reduced the approval requirement to four A grade and one B grade assessment.<sup>44</sup>

33. Contractors had also found that the average time taken to conduct a face-to-face assessment was initially longer than expected. The NAO found the actual average time taken to be 120 minutes against an expected duration of 75 minutes.<sup>45</sup> Dr Gunnyeon explained that, although DWP “made some assumptions” about the necessary duration of an assessment, no targets were set for this because “one of the things we want is to make sure that people actually get the time they need”, and that assessments “are done properly and to the right standard”. However, the time taken for each assessment was likely to become shorter as HCPs became more experienced in the process and therefore needed to spend less time to achieve the same standard.<sup>46</sup>

34. DWP also identified that more face-to-face assessments were taking place than originally envisaged. In response to our 2012 report on DLA reform, the Government said that a face-to-face assessment would be “essential” for “most claimants”.<sup>47</sup> In a follow-up oral evidence session in January 2013, the then Minister for Disabled People (Esther McVey MP, now Minister for Employment) gave a clearer indication of what “most” would mean in practice: “we would consider 25% of people would not need a face-to-face assessment”.<sup>48</sup>

35. In December, the Minister for Disabled People confirmed that DWP had expected the percentage of claims requiring a face-to-face assessment to be “in the upper 70s” but in fact it was currently “in the 90s”. Although one of the policy objectives is a higher level of face-to-face assessments, the Minister believed that this percentage was too high and needed to be reduced: around 15% of claimants “are coming for face-to-face assessments that we think probably do not need to”.<sup>49</sup> The NAO report confirms that the actual percentage of face-to-face assessments was 97% for Atos and 98% for Capita against an expectation of 75%.<sup>50</sup> The Minister’s view was that the number would reduce as the quality of the written evidence provided by applicants in support of claims improved. Dr Gunnyeon added that

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<sup>43</sup> Oral evidence taken on [11 December 2013](#), Qq82-83

<sup>44</sup> [NAO report](#), para 3.21

<sup>45</sup> [NAO report](#), Figure 12

<sup>46</sup> Oral evidence taken on [11 December 2013](#), Q76

<sup>47</sup> Work and Pensions Committee, First Special Report of Session 2012–13, Government support towards the additional living costs of working-age disabled people: [Government Response to the Committee's Seventh Report of Session 2010–12](#), HC 105, p 14 [Response to recommendations in paras 153 and 154]

<sup>48</sup> Oral evidence taken on 21 January 2013 on [Personal Independence Payment](#), HC 916, Q14

<sup>49</sup> Oral evidence taken on [11 December 2013](#), Q96

<sup>50</sup> [NAO report](#), Figure 12

the increased ability of HCPs to make paper-based decisions, as their experience of the process increased, would also reduce the number of face-to-face assessments.<sup>51</sup>

### ***Contracted providers' service provision for claimants***

36. We also asked DWP about basic administrative failings which seemed to be occurring frequently, such as claimants receiving appointment letters for PIP assessments after the appointment date had passed; appointments being cancelled without the claimant being notified; and a lack of information being made available to claimants when they contacted DWP or the contracted providers with queries about their claim.

37. Jason Feeney explained that the providers were contractually required to give claimants two weeks' notice of an assessment appointment and, where they were not fulfilling that requirement, "that is a failure to comply with the contract".<sup>52</sup> However, Dr Gunnyeon emphasised that "there has been a huge amount of partnership working with the contractors" who were "very committed to trying to improve things" and to "learn lessons".<sup>53</sup>

38. The Minister acknowledged that the current service claimants were receiving from the providers was "not acceptable".<sup>54</sup> More recently, he reiterated in the House that "the process is taking too long" and that "the length of wait is unacceptable".<sup>55</sup> He was very clear in his evidence to us about the remedies available to DWP in relation to the contractors:

The only way we can improve that situation for the claimant, on whom I completely accept the burden is currently, is to put the contractors' feet to the fire and say, "You either do this contractually or you will suffer the financial penalties." They are in this for a profit because that is what they are there for. If I take that away from them, then they will address that, and they are, to be fair. It is better than it was, but not perfect, and it will need to continue to get better and better. The one thing they do not like is me instructing my civil servants to invoke penalty clauses. That is the last thing they like.<sup>56</sup>

The "penalty clauses" within the contracts with providers allow service credits to be applied. The NAO highlighted that, as the providers have not consistently met agreed performance levels, £1 million of service credits accrued over the two contracts (£0.8 million against Atos; £0.2 million against Capita) between April and October 2013. The Department can apply up to 15% of the invoice value of service credits for a given month.<sup>57</sup>

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<sup>51</sup> Oral evidence taken on [11 December 2013](#), Q96 and HC Deb, 24 February 2014, [col 12](#)

<sup>52</sup> Oral evidence taken on [11 December 2013](#), Q89

<sup>53</sup> Oral evidence taken on [11 December 2013](#), Q92

<sup>54</sup> Oral evidence taken on [11 December 2013](#), Q88

<sup>55</sup> HC Deb, 24 February 2014, [cols 2 and 12](#)

<sup>56</sup> Oral evidence taken on [11 December 2013](#), Q90

<sup>57</sup> [NAO report](#), para 3.32

### ***Claimants with terminal illnesses***

39. The NAO found in its early sample of claims that terminally ill claimants were waiting an average of 28 days for their claim to be fully processed, against an expectation of 10 days.<sup>58</sup> DWP acknowledged to us in December that concerns had been raised about the time it was taking to process claims from terminally ill people. It said then that it was working to “fast track” these claims and to ensure that terminally ill people were treated as a priority.<sup>59</sup>

40. Macmillan Cancer Support has also drawn attention to the time it is taking to process new PIP claims from people with a diagnosis of terminal illness and to the problems this creates for them. It highlights that, under DLA, claims from people with a terminal diagnosis (and people with progressive illnesses who were not expected to live for more than six months) were “typically processed” within a target of eight working days under the “Special Rules” procedure. The “Special Rules” procedure also applies in PIP but Macmillan reports that it is taking as long as eight weeks for a PIP claim to move into payment. Macmillan points out that the delays can mean that terminally ill claimants are losing out on as much as £134 a week. It can also impact on caring provision as the PIP award needs to be in place before Carer’s Allowance can be paid.<sup>60</sup>

41. Macmillan also pointed to the problems that the new PIP application process is causing for its own staff. Initial telephone applications are often made by Macmillan staff on behalf of a claimant who is terminally ill. There is no dedicated claim line for people with terminal illnesses. Macmillan reported that the telephone applications system requires a number of “lengthy calls” to be made. This has proved far more time-consuming than the DLA process which allowed healthcare staff to complete a paper application form at the same time as the DS1500 (the medical report from a healthcare professional which certifies the terminal diagnosis).<sup>61</sup> The Minister acknowledged that the telephone application system was a problem for Macmillan staff acting on behalf of terminally ill claimants. He said that he was working closely with Macmillan to resolve the problems for healthcare staff supporting claimants.<sup>62</sup>

42. Jason Feeney fully accepted that there had been problems:

I would absolutely say that the service that we gave for some terminally ill claimants at the beginning of PIP was not up to standard. It certainly was not where we would be expecting it to be. I am not going to try to pretend otherwise. There were some awful experiences that people went through.

However, he believed that the process had now improved and stated that 7,000 out of 8,000 terminal illness claims received had been processed by December 2013. There were now

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<sup>58</sup> [NAO report](#), para 2.7

<sup>59</sup> [DWP written evidence](#), para 24

<sup>60</sup> Macmillan briefing on [PIP and terminally ill claimants for MPs and Peers](#), December 2013

<sup>61</sup> Macmillan briefing on [PIP and terminally ill claimants for MPs and Peers](#), December 2013

<sup>62</sup> Oral evidence taken on [11 December 2013](#), Q102

examples of the assessment providers dealing with their part of the claim “within a day”. The Minister said that his aim was for terminal illness claims to be fully processed in seven days.<sup>63</sup>

43. DWP has since announced that a dedicated telephone claim service for terminally ill people would be introduced by the end of February 2014. Claimants or their representatives will still have to call the standard PIP claims number but they can then select options to route them to a dedicated team to complete the claim process, (although the DS1500 form will still have to be submitted in support of the claim).<sup>64</sup>

## Testing and piloting

44. The NAO report notes that one of the key reasons for the problems DWP has encountered with PIP implementation is the very short period it allowed from the “controlled start” in a limited geographical from April 2013—effectively a pilot—and the national roll-out of new claims from June 2013. The NAO highlights that, although this provided an opportunity to test the IT, staff guidance and telephone application process, it did not allow sufficient time for DWP to test the “end to end process” for making decisions because it takes several weeks for claims to work through the whole assessment and decision-making process.

45. Backlogs began to build up by August 2013 but there was insufficient time to resolve these before the reassessment of existing DLA cases began in October 2013. The NAO concludes: “we continue to be concerned about the ability of the Department to recover quickly from backlogs”.<sup>65</sup>

## Addressing the problems with PIP implementation

46. One of the most worrying issues for claimants is the inability to establish what has happened to their claim. As constituency MPs we have received many complaints from claimants who feel they are being passed back and forth between DWP and the contracted providers with no-one accepting responsibility for the delays or for providing an update on progress with the claim.

47. The NAO points out that DWP has not told claimants how long claims should take and the delays and lack of information about claims is leading to uncertainty and stress. In addition, although successful claims are backdated, claimants may face short-term financial difficulties while they wait for a decision. The NAO recommends that DWP “set out a clear plan for informing claimants about the likely delays” while they work on improving performance.<sup>66</sup>

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<sup>63</sup> Oral evidence taken on [11 December 2013](#), Qq102 and 108

<sup>64</sup> [DWP Stakeholder Bulletin](#), February 2014

<sup>65</sup> [NAO report](#), Summary, para 16 and paras 3.13-3.16

<sup>66</sup> [NAO report](#), Summary, para 23a and paras 2.9-2.10

48. *We agree with the Minister that the current level of service offered to PIP claimants and the length of time claimants are waiting for decisions on their PIP applications is not acceptable. People should not be forced to wait six months or more to find out whether they are entitled to financial support towards the additional costs of living with disabilities and health conditions. Urgent action is required. We recommend that DWP closely examine its own systems and that it work with the contracted providers to resolve the current dire situation. Penalty clauses (service credits) contained in the contracts with providers should be invoked where necessary. We also recommend that DWP clear the existing backlog of claims, and reduce the average time taken to process new claims to the expected 74 days, before it extends the natural reassessment of existing DLA claims to other parts of the country.*

49. *We agree with the National Audit Office that DWP needs to address the stress and uncertainty being faced by PIP claimants suffering delays. We support its recommendation that DWP set out a plan for informing claimants about the delays they are likely to face. We also recommend that DWP takes immediate steps to ensure that claimants are given accurate and timely information when they raise queries about progress with their claim with either DWP itself or with the contracted providers.*

50. *It is particularly important that claims from terminally ill people are expedited and that as much of the stress as possible is removed from the process they have to go through to claim PIP. We recommend that DWP set a target of seven days for processing PIP claims from terminally ill people and that it devotes all the necessary resources to ensuring that this target is met.*

51. *We recommend that DWP also take steps to establish a mechanism for expediting claims from people who may not have a terminal diagnosis, but who have rapidly deteriorating conditions, resulting in a similar need for immediate financial support.*

52. *The fact that claimants are taking longer to return written PIP claims forms and to provide supporting evidence suggests that the claim form, and the guidance for claimants on accompanying information, need improvement. It may also be the case that the four weeks allowed to return the form and supporting evidence is insufficient. These factors may be contributing to the higher than expected level of face-to-face assessments deemed by the providers to be required. We recommend that DWP consult stakeholders on the adequacy of the PIP claim form and the accompanying information provided to claimants and make amendments to both if these are found to be necessary. The time allowed to submit the completed form and supporting evidence should also be reassessed and extended if necessary.*

## **Data on outcomes of PIP claims**

53. The available statistics on PIP awards are still very limited. The “management information” published by DWP in February, covering the period April-December 2013, showed that in 50% of cases the decision had resulted in an award being made. However,

this total is skewed by the 100% of awards in terminal illness cases: 37% of standard claims were successful.<sup>67</sup> In response to our request for comparative figures for DLA, DWP said that 46% of new claims for DLA had been accepted in 2012-13. However, this figure included terminal illness claims and claims for children. DWP emphasised that the data were not directly comparable.<sup>68</sup>

### **Further scrutiny of PIP implementation**

54. In our evidence session with the Minister in December, and in this short report section, we have dealt only with the immediate problem of delays in processing PIP claims, which it was clear to us needed to be addressed as a matter of urgency. We expect to carry out a broader assessment of the wider impacts of the implementation of PIP when there is more data available, which would cover: the accuracy of the assessment; outcomes of new claims and DLA reassessments; and the level of appeals.

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<sup>67</sup> DWP, [Personal Independence Payment: Management Information](#), February 2014; and DWP press release, 12 February 2014, "[PIP statistics](#)"

<sup>68</sup> DWP [Supplementary written evidence](#), January 2014

## 4 Local welfare assistance

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55. From 1 April 2013, under the provisions of the Welfare Reform Act 2012, two elements of the discretionary Social Fund were abolished—Crisis Loans and Community Care Grants. Responsibility for providing this type of emergency hardship support was passed to the devolved administrations, and to local authorities in England, which have established their own local welfare support schemes. DWP funded the new schemes at the same level in 2013-14 and 2014-15 as would have been provided for these elements of the Social Fund—around £176 million. The funding is not ring-fenced and local authorities have discretion to distribute it as they see fit.<sup>69</sup>

56. From April 2015, DWP funding will end and local authorities will have to finance their welfare support schemes from their overall grant settlement. It is not yet clear whether additional funding will be provided within the grant to take account of this additional responsibility.<sup>70</sup> DWP intends to carry out a review of the way local authorities have used local welfare assistance funding but this has not yet been commissioned. The Department said in January that it remained the Government's intention to undertake a review but "we are still making the arrangements with local authorities about the review and its findings".<sup>71</sup>

57. The Children's Society (giving oral evidence in our inquiry into support for housing costs) said that local welfare assistance was "a huge postcode lottery". It was concerned that the situation would worsen once DWP funding ended next year:

[...] we certainly have not seen any commitment from DCLG to provide funding for those schemes going forward. [...] Some local authorities are clearly very committed to having their local welfare assistance schemes in place and supporting people with needs, including their housing needs. Other local authorities already introducing very limited schemes without the money to continue to provide that provision in the future will stop providing that support altogether.

58. The Children's Society was also concerned that, whereas Social Fund Crisis Loans had been available "without any qualifying benefit criteria", some local authorities were limiting welfare assistance to people on income-based out-of-work benefits such as JSA or Income Support, which meant that low-income working families would no longer have access to support in emergencies, such as when their employer had not paid their wages.<sup>72</sup>

59. In February, the Local Government Association (LGA) expressed concerns that ending the local welfare assistance fund would "make it increasingly difficult to help vulnerable

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<sup>69</sup> Oral evidence taken on [3 February 2014](#), HC 867, Qq245-246; see also House of Commons Research Paper, SN/06413 [Localisation of the Social Fund](#), November 2012

<sup>70</sup> Oral evidence taken on [3 February 2014](#), HC 867, Qq245-246

<sup>71</sup> HC Deb, 16 January 2014, [col 640w](#)

<sup>72</sup> Oral evidence taken in the inquiry into support for housing costs, [15 January 2014](#), HC 720, Qq350-351

people facing short-term crises". The LGA Chair said that it was "extremely disappointing that the Government has removed the funding for this safety net without first honouring its promise to discuss with councils what the consequence of such a move might be".<sup>73</sup>

60. The Secretary of State told us that his impression was that local authorities were managing within their allocations in this financial year. He said "It is a little early to say, but our general instinct and understanding is that we do not think local authorities are feeling the pressure to spend greater levels of money". He believed that the new system was an improvement because it had restored face-to-face applications for emergency funding. Previously applications to DWP for Crisis Loans were made by telephone and he believed that this was one of the causes of the increase in the number of such loans. He said that the face-to-face process enabled individuals to be given assistance with the root cause of their financial hardship rather than just providing emergency financial support: "Give them money where necessary, but if they have debt problems or problems with drug or alcohol abuse, they should be on things that change their lives, not just covered with money."<sup>74</sup>

61. The Children's Society agreed that this wider support was a positive aspect of the new system. It highlighted that some local authorities were using the new system to join up services and bring together different sources of support, in order to address the underlying causes of people having to seek crisis loans as well as the current emergency.<sup>75</sup>

**62. It is often the most vulnerable people who rely on being able to access hardship payments, previously available from the discretionary Social Fund, in emergency situations. Local authorities are using widely different eligibility criteria and application processes for these schemes. This change has also taken place at the same time as significant reforms to other benefits, particularly support for housing costs.**

**63. It was the Secretary of State's impression that local authorities may not use their full allocations for local welfare assistance schemes in this financial year, although he acknowledged that it was still too early to tell. However, if this does prove to be the case, it is likely that, at least in part, this is because this is a new responsibility and authorities may understandably have been reluctant to allocate too great a proportion early in the year when they were not in a position to accurately predict demand. This may also have led some local authorities initially to impose very exacting criteria for accessing these funds.**

***64. We believe that it is essential that the Government ensures that sufficient funding is available to local authorities to cover the costs of providing the localised welfare support schemes which have replaced elements of the discretionary Social Fund. We recommend that this is done in one of two ways: either DWP should continue to transfer funding to local authorities beyond April 2015, until it has a clear picture of the level of demand; or the local government settlement administered by the Department for Communities and***

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<sup>73</sup> Local Government Association press release 24 February 2014 "[Government should rethink scrapping of £347 million emergency welfare fund, councils urge](#)"

<sup>74</sup> Oral evidence taken on [3 February 2014](#), HC 867, Q245

<sup>75</sup> Oral evidence taken in the inquiry into support for housing costs, [15 January 2014](#), HC 720, Qs350-351

***Local Government should be increased by the full amount that would have been allocated for these elements of the discretionary Social Fund, and this sum should be ringfenced for local welfare schemes.***

## 5 Pension reforms

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65. We published a report on governance and best practice in workplace pensions in April 2013.<sup>76</sup> On 23 October 2013 we held an oral evidence session with the Minister for Pensions, Steve Webb MP, to explore developments since our report was published.<sup>77</sup>

66. As our report explained, to address widespread under-saving for retirement, the Government has introduced automatic enrolment into workplace pensions. Beginning with the largest companies in October 2012, employers will be required to enrol their employees into a workplace pension scheme and to make contributions to that scheme (unless the employee opts out). This requirement is beginning for different employers on different dates, depending on the number of employees, but the process will be completed by 2017 for all existing employers. Auto-enrolment will bring many millions of people into the complex world of pension saving for the first time.

### Pension charges

67. The range and scale of pension charges and costs is complex and is often impenetrable for many scheme members. Our view on pension charges was that employees being automatically enrolled into workplace pension schemes, many of them on low incomes, need to be protected from excessive charges because of the potentially serious effects that high charges can have on the returns which individuals receive on their pension investment. Some of our key recommendations sought to address concerns about charges.

**68. We previously recommended that member-borne consultancy charges—charges imposed by pension consultants for providing advice to employers, which are then deducted from scheme members' pension pots—should be banned outright. Following our report, the Government announced its intention to ban consultancy charges in automatic enrolment qualifying schemes. This ban came into effect from 14 September 2013. We very much welcome this step.**

69. We also highlighted concerns about the lack of transparency in the information provided by pension providers about the total charges and costs that scheme members incur. As well as the adverse impact on scheme members, lack of clarity about charges and costs also makes it difficult for employers to choose a good value scheme in which to auto-enrol their employees. We recommended that the Government review the levels of transparency across the pensions industry early in 2014 and that, if it found that a lack of transparency was preventing employers from making informed choices about different pension schemes, that it impose a charge cap on auto-enrolment qualifying schemes or on

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<sup>76</sup> Work and Pensions Committee, Sixth Report of Session 2012-13, [Improving Governance and best practice in workplace pensions](#), HC 768, April 2013 (hereafter "Governance report")

<sup>77</sup> Oral evidence taken on [23 October 2013](#), HC 728

the schemes which are not complying with the transparency codes and guidance issued by industry bodies.<sup>78</sup>

70. In response, the Government announced its intention to publish a consultation on the quality of workplace pension schemes which would include a proposal on capping charges in Defined Contribution schemes.<sup>79</sup> The consultation took place during autumn 2013. During our evidence session, the Pensions Minister emphasised that imposing a charge cap “is not a no-brainer” because:

First of all, how do you define what it is you are capping? The OFT [Office of Fair Trading] said there are 18 different sorts of charges they have identified, so you have to sort out which of those you are counting. You have to have the data. Alright, you set a cap. Where do you set it? Do we know enough about current charges? [...] The third worry they had was levelling up. You set a charge cap. Does that just mean everyone drives up to the cap?<sup>80</sup>

The Minister also explained that “if we had a charge cap, we would have to define charges comprehensively” because “the danger is, if you define it too narrowly, mysteriously all these other charges that you have never heard of suddenly start popping up”.

71. He made clear that, although the focus was on auto-enrolment, “any charge cap we introduce will not just apply to schemes that you newly use for auto-enrolment; it will apply to qualifying schemes”—existing workplace schemes into which employers may be seeking to enrol employees as the automatic enrolment responsibilities are extended.<sup>81</sup>

72. In January 2014, the Government announced that, while it “remained strongly minded to cap pensions scheme charges” for auto-enrolment schemes, no cap would be introduced before April 2015 to ensure that employers required to auto-enrol their employees in a workplace pension scheme had at least 12 months’ notice of the rules which would apply to them.<sup>82</sup>

73. In February 2014, the Government introduced an amendment to the Pensions Bill 2013 which will place a duty on the Secretary of State “to make regulations requiring greater transparency around the transaction costs incurred by work-based defined contribution schemes”.<sup>83</sup>

**74. We welcome the Government’s decision to bring forward regulations to ensure greater transparency in transaction costs in workplace pension schemes. The range of charges and costs which scheme members incur can make an enormous difference to the size of the individual’s pension pot when they reach retirement.**

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<sup>78</sup> [Governance report](#), para 70

<sup>79</sup> DWP Press Release, [The government is acting to protect consumers by announcing a two-pronged plan to tackle high and inappropriate pension charges](#), 10 May 2013

<sup>80</sup> Oral evidence taken on [23 October 2013](#), HC 728, Q26

<sup>81</sup> Oral evidence taken on [23 October 2013](#), HC 728, Qs 42-44

<sup>82</sup> HC Deb, 23 January 2014, [col 14WS](#)

<sup>83</sup> HC Deb, 24 February 2014, [cols 11-12WS](#)

75. There has also been some progress in tackling the wider issue of high pensions charges in the form of the Government's consultation on a possible charge cap. Although we understand the reasons for the Government's announcement that no steps to implement this important change will be taken for at least another year, it is disappointing that there will not be earlier progress. We reiterate our view that, at a time when millions of people are already being automatically enrolled into workplace pension schemes, it is vital that they are protected from excessive charges imposed by some pension companies and that the charges which are levied are transparent and comprehensible.

## Annuities

76. We also commented in our 2013 report on the disadvantageous position facing many scheme members when they come to convert their pension pot into an annuity. We recommended that the Government and regulators took action to ensure that pension schemes made clear to their members that they had the option to buy annuities from providers other than their pension provider; and that full information was given to scheme members on the variations in annuity rates different providers offered, at the time they came to convert their pension funds.<sup>84</sup>

77. The Pensions Minister indicated at the beginning of January that he was considering measures to allow people to switch annuities in a similar way to the ability homebuyers have to change mortgage provider every few years to secure a better deal.<sup>85</sup>

78. The Financial Conduct Authority (FCA) published a Thematic Review of Annuities on 14 February. This found that 60% of scheme members buy an annuity from their existing provider; and that 80% of consumers who do this could get a better deal on the open market. It concluded that there were "significant barriers" to consumers shopping around in this market. The FCA now intends to carry out a competition market study on products for retirement income. It says that "If we find poor sales practices we will ask firms to make changes immediately".<sup>86</sup>

*79. The Financial Conduct Authority's intention to carry out a market study of retirement income products, following on from its thematic review of annuities, is welcome. However, the Government and the regulators have had clear evidence for some time that the open market in annuities is not yet working in the best interests of the majority of pension scheme members, many of whom face the risk of substantial financial loss in purchasing an annuity from their pension provider. We recommend that the Government and the FCA take urgent action to make the open market option a realistic one for all those who purchase annuities, not just the minority who are currently able to*

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<sup>84</sup> [Governance report](#), paras 76-77

<sup>85</sup> The Guardian, 6 January 2014, "[Proposal to allow switching of annuities angers British pensions industry](#)"

<sup>86</sup> Financial Conduct Authority, [Thematic Review of Annuities](#), 14 February 2014, Executive Summary. The terms of reference for the [Retirement Income Market Study](#) are available on the FCA website: [www.fca.org.uk](http://www.fca.org.uk)

*negotiate it successfully. We reiterate the recommendation from our 2013 report: that, if improvements in the annuity market do not occur soon, the Government might, as a last resort, have to consider taking steps to separate the function of providing pension schemes from that of providing annuities.*

## Defined Ambition and Collective Defined Contribution schemes

80. Our pensions governance report highlighted that, in the current workplace pensions system, Government, pension providers, employees and employers all share the market and longevity risks involved in pension saving to some extent and to varying degrees, depending on the type of scheme. In Defined Benefit (DB) schemes, employers bear the risk of low investment returns, and of scheme members living for longer than expected. Conversely, in most Defined Contribution (DC) schemes, it is the scheme members who bear the risk of poor investment returns, low annuity rates at the point of retirement and greater than expected longevity, factors which could potentially result in a lower income in retirement.

81. In November 2012 the Government published a strategy paper, *Reinvigorating Workplace Pensions*. Amongst its proposals were ideas for new ways of risk-sharing in workplace pension schemes under the banner of “Defined Ambition” (DA) pensions. The document explained that: “there may be a number of different types of Defined Ambition schemes. Some may have elements of current DB schemes, but with greater sharing of risk; others may start from a DC standpoint, but with increased certainty for members”.<sup>87</sup>

82. We believed that the benefits of offering new forms of risk-sharing arrangements included:

- helping to rebalance risk between the employee and the employer;
- potentially providing employers with an attractive alternative to DC schemes; and
- potentially offering employees better outcomes from, and/or greater certainty about, retirement income.

83. Our report welcomed the Government’s intention to develop plans for DA risk-sharing schemes. We recommended that the Government take the necessary steps to remove legislative and regulatory barriers to DA by 2016. Meeting this timescale would help ensure that employers offering DB workplace schemes would have a viable alternative available to DB when contracting-out ends as part of the State Pension reforms in 2016 and avoid the burden of two major upheavals in pension regulation in close succession.<sup>88</sup>

84. In oral evidence in October 2013, the Pensions Minister told us that his aims in taking forward DA were: to provide scheme members with greater certainty about the pension they would receive than traditional DC schemes offer; to look at a regulatory framework

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<sup>87</sup> DWP, [Reinvigorating workplace pensions](#), November 2012, Cm 8478, Executive Summary para 12 and Chapter 3

<sup>88</sup> [Governance report](#), Chapter 8

that could make it cheaper to offer pension guarantees than was currently the case; and to assess the “Dutch-style” collective DC pension model (CDC), which does not require use of annuities and which offers “risk-pooling” between scheme members.

85. The Minister confirmed that “if we are going to do this, we will have to do it soon, because the end of contracting-out in 2016 means firms are making decisions now” . He indicated that draft legislation might be brought forward early in 2014, followed by a full Bill in the next parliamentary session.<sup>89</sup>

86. In November 2013 the Government launched a consultation on *Reshaping workplace pensions for future generations*, which included more detailed proposals for introducing DA and CDC pensions and making the necessary accompanying regulatory changes.<sup>90</sup> The consultation closed in December but DWP has not yet published its consultation response or any final proposals. It remains unclear whether the plans for DA will be taken forward in a Bill in the 2014-15 session.

**87. The Government launched a consultation on its plans for Defined Ambition workplace pensions in autumn 2013. We expected to be invited to carry out pre-legislative scrutiny on the resulting proposals for broadening the range of pensions available to employers, but these final proposals have not yet been published. We are concerned that the momentum for bringing forward these proposals may have stalled. It is important, as auto-enrolment widens out to the whole of the working population, and with the continuing closure of private sector Defined Benefit schemes, that employers and employees are offered new ways to share risk and to maximise retirement income. There is additional urgency in that the new arrangements ideally need to be in place by the time contracting-out of DB schemes ends in 2016. We look forward to seeing the Government’s legislative proposals for these changes very shortly.**

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<sup>89</sup> Oral evidence taken on [23 October 2013](#), HC 728, Q72

<sup>90</sup> DWP, [Reshaping workplace pensions for future generations](#), November 2013, Cm 8710

## 6 Child maintenance reforms

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89. In February 2011 the Government set out its plans to reform child support and to introduce a new child maintenance scheme.<sup>91</sup> We considered these reforms and published a report on them in June 2011.<sup>92</sup> The new scheme (the “2012 scheme”) was fully implemented from 25 November 2013 (having initially been trialled in a 12-month pathfinder). The Minister of State (Steve Webb MP) gave oral evidence to us a few days after full implementation, during which we explored some of our remaining concerns.<sup>93</sup>

### The Government’s 2011 reform proposals

90. The key features of the Government’s plans for reform were:

- encouraging parents to come to their own family-based child maintenance arrangements wherever possible, and improving the support available to help them do this;
- the introduction of a new statutory child maintenance scheme (“the 2012 scheme”) to be administered by a new Child Maintenance Service (CMS);
- introduction of charges for using the statutory scheme for both the parent with care (PWC) and the non-resident parent (NRP); and
- existing cases in the 1993 and 2003 schemes, administered by the Child Support Agency (CSA), to be closed.

91. The Government’s rationale for the new approach was their view that it is better for children if parents work together to create their own child maintenance arrangements. Furthermore, the Government argued that, if more families organise their child maintenance through family-based arrangements, this would enable the statutory maintenance system to “focus on arrangements for maintenance when collaboration between parents is not possible”.<sup>94</sup>

92. Once the 2012 scheme is seen to be working well, the Government intends to start a gradual process of ending liabilities on all existing CSA cases over a three-year period. The Government has said that this process will begin in 2014. All CSA clients can then decide either to make their own family-based arrangements or apply to the new scheme. By the

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<sup>91</sup> DWP, [Strengthening families; promoting parent responsibility: the future of child maintenance](#), Cm 7990, January 2011

<sup>92</sup> Work and Pensions Committee, Fifth Report of Session 2010-2012, [The Government’s proposed child maintenance reforms](#), HC 1047, Summary. The Committee also held a follow-up oral evidence session in April 2012: Oral evidence taken on [25 April 2012](#) on the Draft Order on the transfer of functions of the Child Maintenance and Enforcement Commission, HC 1948 (2010-12)

<sup>93</sup> Oral evidence taken on [27 November 2013](#), HC 797

<sup>94</sup> DWP, [Strengthening families; promoting parent responsibility: the future of child maintenance](#), Cm 7990, January 2011, Executive Summary

end of the case closure process, all cases will be managed on a single set of calculation rules and on one computer system.<sup>95</sup>

## Concerns about the 2011 proposals

93. In our 2011 report, we acknowledged that the existing child maintenance system left many separated parents without adequate child maintenance arrangements, and that many parents with care did not receive payments on a regular basis or received no payments at all. We therefore welcomed the Government's intention to improve the system. However, we also expressed some reservations.

94. We believed that the Government's proposals for collection charges as set out in the 2011 Green Paper were "excessive and unnecessarily complex" and argued that, instead, there should be "a single, modest administrative charge for collecting the maintenance payment". We also recommended that the Government should ensure that its network of support for separating families was operating effectively in all areas before charges for the statutory system were introduced.<sup>96</sup>

95. The Government published a second consultation in January 2012, which set out more detailed proposals, and some changes of approach, including in relation to charges.<sup>97</sup> The Government's response to the consultation was not published until November 2013, just before the new arrangements were implemented.<sup>98</sup>

## Outstanding concerns about the Government's final plans

96. The issues we raised with the Minister in November 2013 included:

- How increased support for separated parents to come to voluntary agreements is being delivered;
- Lessons learned from the pathfinder and arrangements for implementing the 2012 scheme;
- The impact of charging on parents; and
- Plans for dealing with historic arrears and those accrued in the new system (following publication in January 2013 of DWP's Arrears and Compliance Strategy for 2012-2017<sup>99</sup>).

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<sup>95</sup> DWP, [Supporting separated families; securing children's futures](#), Cm 8399, January 2012, Chapter 5

<sup>96</sup> Work and Pensions Committee, Fifth Report of Session 2010-2012, [The Government's proposed child maintenance reforms](#), HC 1047, Summary.

<sup>97</sup> DWP, [Supporting separated families; securing children's futures](#), Cm 8399, January 2012

<sup>98</sup> DWP, [Government response to the consultation on Supporting separated families; securing children's futures](#), Cm 8742, November 2013

<sup>99</sup> DWP, [Preparing for the future, tackling the past, Child Maintenance–Arrears and Compliance Strategy](#), January 2013

### ***Charges for using the statutory scheme***

97. One of our key concerns remained the implications of introducing charges for both parents to use the 2012 statutory scheme. When the plans for reform were first brought forward, the Government envisaged the following charge structure for using the new statutory scheme:

- an upfront application charge of around £100 for parents not receiving benefits;
- A charge of £50 for parents in receipt of benefits, with £20 being paid upfront and the remainder being paid in instalments when maintenance started flowing;
- A charge of £20-£25 to use the calculation-only service; and
- For parents using the collection service, a 15-20% surcharge on the maintenance obligation of the NRP and a deduction of 7-12% from the maintenance collected for the PWC.<sup>100</sup>

98. In its response to its second consultation published in November 2013, the Government finalised charges at an application fee of £20 for all parents and fixed collection fees of 4% for the PWC and 20% for the NRP.<sup>101</sup> Separated parents making their own family-based arrangements will incur no charges. Additionally, only an application fee will be payable where the NRP pays the maintenance directly to the PWC (known as “Maintenance Direct” under the new scheme). The application fee will not apply to parents aged 18 or under, or to parents who declare themselves victims of domestic violence.<sup>102</sup>

99. The Government has estimated that, annually, around 12% of potential applicants to the new scheme will be deterred by the application charge, equating to around 15,000 people. Around 5,000 of these are expected to make family-based arrangements, but the remaining 10,000 are expected to make no arrangement at all.<sup>103</sup> The impact of charging will be reviewed 30 months after implementation of the charging powers.<sup>104</sup>

100. We were not convinced in 2011 that sufficient evidence existed to support the proposition that charging would work as an incentive for parents to create their own family-based child maintenance arrangements. Nor did we believe it was fair for a PWC to face charges where they had taken all reasonable steps to come to a voluntary agreement and where it was the NRP who was resisting this.<sup>105</sup>

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<sup>100</sup> DWP, [Strengthening families, promoting parental responsibility: the future of child maintenance](#), Cm 7990, January 2011, Chapter 2, para 28

<sup>101</sup> HC Deb, 20 May 2012, [col 58WS](#)

<sup>102</sup> DWP, [Government response to the consultation on Supporting separated families; securing children's futures](#), Cm 8742, November 2013, p 15

<sup>103</sup> DWP, [Estimating the impacts of CSA case closure and charging](#), August 2012, para 16

<sup>104</sup> DWP, [Supporting separated families; securing children's futures](#), Cm 8399, January 2012, Chapter 7

<sup>105</sup> Work and Pensions Committee, Fifth Report of Session 2010-2012, [The Government's proposed child maintenance reforms](#), HC 1047, Summary and Chapter 4

101. These concerns remained when we questioned the Minister about the final proposals in November 2013. We also wanted him to explain what criteria would be used to decide that the new statutory system was “working well” enough for charging to be introduced.

102. The Minister emphasised that “the point of the charge is to get the maintenance flowing” and that, even with the 4% fee for the PWC “that is 96p in the pound going to the children.” He also argued that the fact that the NRP faced a 20% fee would create an “ongoing incentive” to move to direct payment.<sup>106</sup>

103. In terms of assessing the robustness of the new system before charging is introduced, the Minister explained the value of the 12-month pathfinder. This has resulted in a weekly “excruciatingly detailed note” setting out computer faults and how they had been rectified. The pathfinder had enabled DWP to test the system “to destruction”. He confirmed that “we won’t start charging until we’ve been running at full volumes for a period of time and we are confident it is a robust system”.<sup>107</sup>

***104. The impact on parents of charging for using the new statutory child maintenance scheme needs to be carefully monitored, particularly given that a full evaluation will not take place until 30 months after charging begins. The behavioural impacts, including to what extent charging deters parents from having any maintenance agreement in place at all, are particularly important. We recommend that DWP publish interim updates on the impact of charging on use of the statutory system and on the level of family-based arrangements, in advance of the full evaluation.***

### **Customer service standards**

105. The Minister also referred to experimental statistics that had been published in November 2013 on service levels achieved in the pathfinder. These statistics show that, in September 2013, 94% of calls to the CMS were answered within 30 seconds and 97% of maintenance calculations were accurate to within 2% or £1 of the correct calculation.<sup>108</sup>

***106. We welcome the Government’s use of a pathfinder to introduce the 2012 scheme as a means of ensuring that the new Child Maintenance Service was functioning effectively before it was opened to all applicants. However, replicating and maintaining the service levels achieved in the pathfinder in the national implementation is clearly a challenge. We recommend that DWP monitor this carefully and publish regular updates on standards of service provided to parents.***

### **Supporting parents to come to family-based arrangements**

107. The Government has allocated £20 million in this Spending Review period for support services for separated parents to enable them to collaborate to resolve a range of

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<sup>106</sup>Oral evidence taken on [27 November 2013](#), HC 797, Qq88-89

<sup>107</sup>Oral evidence taken on [27 November 2013](#), HC 797, Q61

<sup>108</sup>Oral evidence taken on [27 November 2013](#), HC 797, Q63, and DWP, [Experimental Statistics on the 2012 scheme administered by the Child Maintenance Service](#), November 2013.

parenting issues, including organising child maintenance arrangements.<sup>109</sup> This includes a web application “Sorting out Separation” launched in November 2012 and a co-ordinated telephone network.<sup>110</sup>

108. DWP has also established an Innovation Fund, which will test new and innovative ideas to help parents collaborate. Initial funding of £6.5 million was allocated in August 2013 to seven voluntary and third sector organisations to give help to around 280,000 families. A second round of funding of £3.4 million followed aimed at parents who have been separated for two years or longer. Funding has also been set aside to evaluate funded projects. The Government does not expect “robust evidence” on the outcomes of the projects until later in 2014 and will publish formal evaluation results after this.<sup>111</sup> The Minister told us:

These pilot projects are [...] trying to do new and different things. [...] Some of them are niche but the Relate one we are doing at the moment will help more than a quarter of a million families online. So some of them are designed to be at scale. In a sense help and support for separated families will be a journey. There will not be a day when we say, “It is all fine, we’ve got enough.” We will learn what works.<sup>112</sup>

109. *The Government’s motivation in introducing the new child maintenance scheme is to encourage parents to come to voluntary arrangements. However, many parents will need effective support to enable them to come to arrangements which are workable and acceptable to both parents, and parents will need to know at an early stage where they can go to find this support. We welcome the funding of around £10 million provided for voluntary and third sector organisations as part of the Innovation Fund to test and evaluate interventions that can help parents work together in the best interests of their children. We recommend that, in response to this report, DWP sets out how these projects will be evaluated and what the process will be for extending, funding and publicising the schemes identified as the most effective.*

## Arrears

110. In January 2013, DWP published its Child Maintenance Arrears and Compliance Strategy 2012-2017 outlining its plans to prevent new child maintenance arrears from arising and for dealing with the outstanding arrears that have accrued since 1993.<sup>113</sup>

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<sup>109</sup> DWP, [Supporting separated families; securing children’s futures](#), Cm 8399, January 2012, Chapter 2, para 5

<sup>110</sup> [DWP written evidence](#), paras 2.3-2.4; DWP, [Supporting separated families; securing children’s futures](#), Cm 8399, January 2012, Chapter 2, paras 26-29; and DWP press release, 29 November 2012; “[Help for separating parents at their fingertips as new web app launches.](#)”

<sup>111</sup> [DWP written evidence](#), para 2.7; DWP press release, 15 August 2013 “[New mark to help separated parents choose the best support to work together in the interests of their children](#)”; and HC Deb, 22 October 2013, [col 110W](#)

<sup>112</sup> Oral evidence taken on [27 November 2013](#), HC 797, Q83

<sup>113</sup> DWP, [Preparing for the future, tackling the past, Child Maintenance – Arrears and Compliance Strategy](#), January 2013

111. The Minister told us that “part of the problem in the past has been that arrears have been allowed to build up without any action being taken by us”.<sup>114</sup> Steps to prevent arrears accruing in the new system include:

- better customer service to encourage greater compliance;
- faster action on arrears: the Child Maintenance Service will aim to act within 72 hours of a missed payment, and assistance will be provided to help parents struggling to meet their financial obligations to continue to pay maintenance;
- enforcement action: including deducting money directly from the NRP’s earnings and action through the courts when necessary. The Government is also planning to introduce powers to charge NRPs when enforcement actions are deemed to be necessary, to provide an additional compliance incentive.<sup>115</sup>

112. Historic arrears have been prioritised for collection as follows:

- Highest priority: collection of arrears in cases where money is already flowing, whether this is in cases with current liability or arrears only cases, and in cases where money is not flowing but there is a child who can benefit from the payment.
- Lower priority: collection of arrears in cases where no child can benefit. The Government says that these arrears will still be targeted for collection, “taking into account the resource available to the service, cost of collecting the money compared to the sum owed, and the indebted parents’ ability to pay.”
- Lowest priority: the debt owed to the Secretary of State, although these arrears will still be classified as owed and action will be taken to enforce recovery wherever possible, for example when arrears owed to parents are already being collected in the same case.<sup>116</sup>

113. We put it to the Minister that some PWCs may rightly feel aggrieved that the maintenance they were owed, which had possibly built up over many years and caused real financial hardship for them and their children, had been given a lower priority for collection in DWP’s arrears strategy. He emphasised that:

The arrears don’t go away. Even if the case is closed in terms of live child maintenance, the arrears are still there. We have set out in our arrears strategy a sequencing, and it is true to say that where a child is still a child, that is our first priority: to get maintenance flowing and to pick up arrears. But we will still also be going for arrears from closed cases.<sup>117</sup>

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<sup>114</sup> Oral evidence taken on [27 November 2013](#), HC 797, Q71

<sup>115</sup> DWP, [Preparing for the future, tackling the past, Child Maintenance – Arrears and Compliance Strategy](#), January 2012, Chapter 1

<sup>116</sup> DWP, [Preparing for the future, tackling the past, Child Maintenance – Arrears and Compliance Strategy](#), January 2012, Chapter 3

<sup>117</sup> Oral evidence taken on [27 November 2013](#), HC 797, Q74

114. DWP's strategy for dealing with child maintenance arrears—both historic arrears and those in the new 2012 scheme—needs to be shown to be practicable. It is not yet clear whether the steps introduced to prevent new arrears arising are feasible; nor what the prioritisation of historic arrears for collection means in reality for those parents with care who are owed money. DWP needs to ensure that the decisions it takes regarding the collection of arrears are transparent and communicated clearly and promptly to all parents affected by the new arrangements.

## 7 Use of DWP statistics

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115. We have commented previously in this Parliament on the negative way in which DWP benefit statistics are sometimes covered in press stories, and on the role which DWP's processes for releasing statistics might play in this.

116. We became concerned during spring 2013 about the way in which a number of releases of DWP benefit statistics had been reported in the media. The UK Statistics Authority investigated two of these cases and highlighted changes it wished to see both in DWP practice, and more widely across Government, in the way benefit statistics are released to the media. We decided to take oral evidence from DWP officials and Ministers to discuss our concerns with them.<sup>118</sup>

### Previous comment by the Committee on DWP release of statistics

117. In our 2011 report on the migration of incapacity benefits to ESA, we concluded that:

[...] more care is needed in the way the Government engages with the media and in particular the way in which it releases and provides its commentary on official statistics [...] In the end, the media will choose its own angle, but the Government should take great care with the language it itself uses and take all possible steps to ensure that context is provided when information [...] is released, so that unhelpful and inaccurate stories can be shown to have no basis.<sup>119</sup>

In response, the Government emphasised that it “takes great care” when publishing statistics to ensure that the information is used in an appropriate manner. However, it also stated that:

The Committee and Government need to be mindful of the widespread public unease about the number of people claiming incapacity benefits and it is therefore unsurprising that this is reflected in the media. [...] However, it is important to stress that it is not the Department's role to dictate what can appear in stories in the media.<sup>120</sup>

118. In our 2012 report on reform of DLA, we referred back to our 2011 comments on media coverage of benefit claimants and the Government's response and said:

The Government's view seems to be that the negative tone of press coverage of benefit claimants is unsurprising since it merely reflects the public mood about the integrity of the benefits system. However, the Government should

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<sup>118</sup> Oral evidence taken on [10 July 2013](#) from DWP officials, HC 570; and on [9 December 2013](#) from the Secretary of State, HC 867

<sup>119</sup> Sixth Report of Session 2010-2, [The role of incapacity benefit reassessment in helping claimants into employment](#), HC 1015-I, para 41

<sup>120</sup> Seventh Special Report of Session 2010-12, [Government Response to the Committee's Sixth Report](#), HC 1641, response to recommendations in paras 40-41

not ignore the fact that public opinion can also be positively influenced by the media and we believe it should take the necessary steps to ensure that its own contribution to media stories about benefits is accurate and contextualised.

We also highlighted that “direct quotations from Ministers can give undue credence to inaccurate or misleading reports” and recommended that DWP “ensure that significant statistical releases are accompanied by a press release setting out the context and providing background explanatory notes”.<sup>121</sup> The Government’s view was that it already had a “robust process for releasing new statistics into the public domain which conform with the Code of Practice for Official Statistics”.<sup>122</sup>

### **DWP processes for approving press releases and public statements accompanying statistical releases**

119. In advance of our oral evidence session in July 2013 with DWP officials, the Department provided us with more details about the processes it has in place for releasing statistics. Press releases are cleared by the relevant policy official before release. Where they contain statistics or data, they are also cleared by “the relevant analyst”. Statistics are sometimes released to back up information in press releases rather than the other way round: “Whenever these statistics are not already in the public domain, an ad hoc statistics release will be published alongside any departmental use”.

120. Press officers and other departmental officials are given “pre-release access” to national and “high profile” official statistics. This allows them to prepare the Department’s public response, which may include quotes from Ministers or the Department, 24 hours before release. These responses are also cleared by the relevant analyst and policy officials before release.

121. DWP states that “press officers are aware of their responsibility to abide by the Code of Practice for Official Statistics”. It highlights that the UK Statistics Authority and DWP’s Deputy Head of Profession for Statistics have met DWP press officers “to educate them on the requirements of the Code”.<sup>123</sup>

### **UK Statistics Authority investigations into DWP statistics during 2013**

122. In May 2013 the UK Statistics Authority (UKSA) reported on its investigations into two separate complaints about benefit statistics.

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<sup>121</sup> Seventh Report of Session 2010-12, [Government support towards the additional living costs of working-age disabled people](#), HC 1493-I, paras 53-54

<sup>122</sup> First Special Report of Session 2012-13, [Government Response to the Seventh Report of Session 2010-12](#), HC 105, response to recommendations in paras 53-54, pp 4-5

<sup>123</sup> [DWP written evidence](#) published with oral evidence taken on [10 July 2013](#), HC 570

### ***Incapacity benefit claimants***

123. Sheila Gilmore MP (a member of this Committee) asked UKSA to investigate a *Sunday Telegraph* article in March 2013 which stated that “900,000 choose to come off sickness benefit ahead of tests”.<sup>124</sup>

124. This related to DWP statistics on claims for Employment and Support Allowance (ESA), which has replaced Incapacity Benefit (IB) as the income replacement benefit for people with health conditions and disabilities which prevent them from working. People claiming ESA are required to undergo the Work Capability Assessment (WCA) to establish eligibility for the benefit. A process started in 2011 to migrate existing IB claimants to ESA over the period to 2014. The migration process involves a WCA.

125. Grant Shapps MP, the Conservative Party Chairman, was quoted as saying “nearly a million people have come off incapacity benefit [...] before going for the test.” The press article was drawn from a Conservative Party press release which stated that “878,300 people claiming incapacity benefit—more than a third of the total—have chosen to drop their benefit claim entirely rather than face a medical assessment, new figures have revealed.”

126. UKSA’s investigation found that the 878,300 figure resulted from the conflation of official statistics relating to new ESA claims with separate statistics on migration of Incapacity Benefit claimants to ESA. The release also failed to make clear that a number of claims were withdrawn because the person recovered from their illness before the WCA took place. In his letter to Sheila Gilmore setting out the findings, the UKSA Chair, Andrew Dilnot, explained:

The statistical release does not address the issue of why cases were closed in great depth, but it does point to research undertaken by DWP which suggests that “an important reason why ESA claims in this sample were withdrawn or closed before they were fully assessed was because the person recovered and either returned to work, or claimed a benefit more appropriate to their situation.”<sup>125</sup>

In oral evidence on 10 July, we asked the DWP Head of Communications, John Shield, what role his staff had played in the release of this information. He said:

This is really simple. I knew you would ask, so I have checked with the press office. In no way, shape or form was anyone involved in the production of this. They were not, and I have been assured that this is purely a piece of party output [...] no one in the press office or in communications had any role in that; it is a party matter.<sup>126</sup>

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<sup>124</sup> Sunday Telegraph, [30 March 2013](#)

<sup>125</sup> Letter from Chair of UK Statistics Authority to Sheila Gilmore MP, 29 May 2013, available on UK Statistics Authority website at: <http://statisticsauthority.gov.uk/reports---correspondence/correspondence> (citing DWP, *Unsuccessful ESA claims – qualitative research*, 2011)

<sup>126</sup> Oral evidence taken on [10 July 2013](#), HC 570, Q33

127. When we questioned the Secretary of State about this incident, he told us:

That was something that they [Conservative Central Office] put together and released themselves. In fact, I was not even aware that they were going out with the comment at the time. [...] They had pulled two things together and conflated them [...] but it is not us. I have had conversations with him [the Conservative Party Chairman] and with others about being careful to check with the Department: if they are going to say something about the statistics that are out there, they should check with us that those are the statistics that can be correctly used. There has been an element of that since then, so there has been less of that going on.<sup>127</sup>

### ***Impact on claimants of the introduction of the Benefit Cap***

128. The UK Statistics Authority undertook a second investigation following a complaint from Nicola Smith, Head of Economic and Social Affairs at the TUC, about the presentation of statistics on the benefit cap.

129. The Welfare Reform Act 2012 provided for a cap on total household benefits to be phased in from April 2013. The cap limits the total benefit a household can receive to £500 per week for a family and £350 per week for a single person with no children. The cap was initially piloted in four London boroughs from April 2013; national implementation began in July and was completed by September 2013 (except in Northern Ireland).<sup>128</sup> (We have examined the impact of the benefit cap in detail in our inquiry into support for housing costs—because the cap is in practice applied to the level of the housing costs element of total benefits. Our report will be published shortly).

130. The Government's stated intentions for implementing the cap are to improve working incentives for those on benefits, to deliver fiscal savings, and to ensure workless households do not receive more in benefits than the average working household.<sup>129</sup>

131. When the benefit cap pilots began in April 2013, DWP published two sets of related ad hoc statistics: one on *Households identified as potentially impacted by the benefit cap*; and a second set on *Jobcentre Plus activity regarding claimants who have been identified as potentially impacted by the benefit cap*.<sup>130</sup> The TUC complaint was that DWP had misrepresented these statistical analyses in a press statement it issued to the Press Association on 12 April.

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<sup>127</sup> Oral evidence taken on [9 December 2013](#), HC 867, Q6

<sup>128</sup> DWP, [Impact Assessment- Benefit Cap \(Housing Benefit\) Regulations 2012: Impact assessment for the benefit cap](#), July 2012

<sup>129</sup> DWP, [Impact Assessment- Benefit Cap \(Housing Benefit\) Regulations 2012: Impact assessment for the benefit cap](#), July 2012

<sup>130</sup> DWP, [Ad hoc statistics on Households identified as potentially impacted by the benefit cap](#), April 2013. The April 2013 document *Jobcentre Plus activity regarding claimants who have been identified as potentially impacted by the benefit cap*, no longer appears to be available on the DWP website; it has been replaced by an updated version published in [December 2013](#).

132. Press reports on the DWP statistics indicated that the estimated number of households affected by the benefit cap had fallen from 56,000 to 40,000. DWP was reported as saying that “part of the reason for the drop is due to 8,000 unemployed people finding work”. The Secretary of State was quoted in the Daily Mail on 12 April as saying that “Already we’ve seen 8,000 people who would have been affected by the cap move into jobs. This clearly demonstrates that the cap is having the desired impact”.<sup>131</sup> A media debate followed on whether there was a causal link between the introduction of the cap and people moving into employment.<sup>132</sup>

133. UKSA found that the Secretary of State’s statement was “unsupported by the official statistics published by the Department”.<sup>133</sup> It highlighted that the Jobcentre Plus Activity Statistics from which the 8,000 figure “appears to be drawn” explicitly states that the figures “are not intended to show the additional numbers entering work as a direct result of the contact [with JCP]”. The other set of statistics notes that the reduction in the estimate of the number of households affected by the benefit cap from 56,000 to 40,000 was “due to normal caseload churn, reducing those potentially in scope for the cap” and that both figures “assume no behavioural change”.

134. In his letter to the Secretary of State, the UKSA Chair said:

In the manner and form published, the statistics do not comply fully with the principles of the Code of Practice, particularly in respect of accessibility to the sources of the data, information about the methodology and quality of the statistics, and the suggestion that the statistics were shared with the media in advance of their publication.

He pointed out that he had been given an assurance by DWP in March 2013, following a similar incident, that senior officials had reiterated to staff “the seriousness of their obligations under the Code of Practice”. His letter asked for a further assurance “that the working arrangements within the Department give sufficient weight to the professional role and public responsibilities of statisticians”.<sup>134</sup>

135. We questioned John Shield about the source of the Secretary of State’s press comments on the impact of the benefit cap. He told us that it was:

[...] an opinion piece given to the Daily Mail where the Secretary of State was stating his opinion on the statistics, and not only basing it on that, but basing it on what staff had been telling him about the impact of the cap, the management information that he had been receiving and what claimants had actually said to him. That was a judgment formed by him and, as a politician,

<sup>131</sup> Daily Mail, 12 April 2013 “[One in four facing a cut in their benefits has found work](#)”

<sup>132</sup> See for example, The Guardian, 13 April 2013, “[No evidence for Iain Duncan Smith benefit cap claim, says research chief](#)”

<sup>133</sup> Letter from Andrew Dilnot to Nicola Smith, 9 May 2013, available on UK Statistics Authority website at: <http://statisticsauthority.gov.uk/reports---correspondence/correspondence>

<sup>134</sup> Letter from Andrew Dilnot to the Secretary of State for Work and Pensions, 9 May 2013, available on UK Statistics Authority website at: <http://statisticsauthority.gov.uk/reports---correspondence/correspondence>

obviously he can make those judgments around what he thinks the data are saying in the context of everything else.<sup>135</sup>

136. John Shield made clear that this was “a written article” by the Secretary of State; it was not based on an interview. He also stated that “if a Minister is doing an opinion piece that is about their reflections and views on how policy is working and performing, sometimes they will be produced without press office involvement.” He said that such articles were sometimes produced by Ministers themselves or by Special Advisers. However, Mr Shield said that on this occasion, “it did involve the press office”.<sup>136</sup>

137. In an interview on the BBC Radio 4 *Today* programme on 15 July, when the benefit cap began to be rolled out nationally, the Secretary of State defended his use of the 8,000 figure in relation to people likely to be affected by the cap who had sought work as a result. He said that he “believed” that it was having this effect: people on benefits who had not previously been seeking work now were, as a result of the cap. He said it was not possible to “disprove” this claim and he believed it to be right.<sup>137</sup> In oral evidence to us in December, the Secretary of State made a similar point:

[UKSA] said that whilst we could not prove that they had gone in [to work] or could not prove that they had not, but I should therefore not make the link other than that I believe it to be the case that those people are going back into work is hugely to do with the fact that we introduced the cap. That is my belief, but they said that that should remain as a flat statistic, which we have accepted.<sup>138</sup>

## Recent UKSA comment on use of DWP statistics

138. More recently, Sheila Gilmore MP raised with UKSA the use made by a senior DWP official, during one of our evidence sessions, of unpublished statistics on Work Programme support.<sup>139</sup> On 20 November 2013, Neil Couling, the DWP Director of Work Services, gave evidence alongside the Minister for Employment in our inquiry into Jobcentre Plus. During the session, he cited statistics on the number of people who had found work after they had completed two years on the Work Programme.<sup>140</sup> In response to a subsequent parliamentary question, it became clear that the statistics cited were based on unpublished Management Information.<sup>141</sup> (This information was subsequently published as part of the Work Programme statistical summary on 19 December 2013.<sup>142</sup>)

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<sup>135</sup> Oral evidence taken on [10 July 2013](#), HC 570, Q25

<sup>136</sup> Oral evidence taken on [10 July 2013](#), HC 570, Qq28 and 32

<sup>137</sup> BBC Radio 4 *Today* Programme, 15 July 2013

<sup>138</sup> Oral evidence taken on [9 December 2013](#), HC 867, Q4

<sup>139</sup> Letter from Sheila Gilmore MP to the Chair of the UK Statistics Authority, 21 January 2014, available on UK Statistics Authority website at: <http://statisticsauthority.gov.uk/reports---correspondence/correspondence>

<sup>140</sup> Oral evidence taken in the inquiry into *the role of Jobcentre Plus in the reformed welfare system* on [20 November 2013](#), Q559

<sup>141</sup> HC Deb, 9 December 2013, [col 52w](#)

<sup>142</sup> DWP, [Work Programme Statistical Summary](#), December 2013

139. The Chair of UKSA highlighted in his response that “the National Statistician has issued guidance on the use of Management Information”. This states that in “exceptional circumstances”, the departmental Head of Profession for Statistics may agree to the use of information of this kind in public statements if its use is “justified and clearly explained”. DWP had reported to UKSA that its “normal practice” was for an analyst to “check and sign off the accuracy of the statistical and internal management information to be used in briefings for select committee hearings.” However, no analyst was involved in checking the information provided to the Committee on 20 November. The UKSA Chair said that “it is a matter of regret” that DWP’s normal practice was not followed.<sup>143</sup>

### Ensuring accurate presentation of Government statistics

140. Our colleagues on the Public Administration Select Committee (PASC) have undertaken a major review of Government statistics. In a report published in May 2013, *Communicating statistics: not just true but also fair*, the Committee concluded that: “in some cases, the story behind the statistics is reduced in its presentation to such an extent that the picture is no longer true and fair”.<sup>144</sup> PASC emphasised that “to underpin good policy-making, statistics must be presented in a fair, accurate way, ‘unspun’” and suggested that Government press releases “sometimes go too far to create a newsworthy headline”. The Chair of the Committee (Bernard Jenkin MP) went on to say that:

Politicians tend to promote the statistics which best present their case. Finding the whole truth about government statistics is not always easy, and it should be. The numbers may be perfectly true but the act of selecting certain numbers distorts the true picture. This is important when those numbers are being used to justify a particular policy, a particular apportioning of resources. In some cases, spinning reduces the story behind the statistics to such an extent that the picture is no longer true.<sup>145</sup>

**141. DWP releases a great deal of statistical information about benefits. We have commented before that it needs to exercise care in the language used in accompanying press releases and ministerial comments in the media. 2013 saw heightened and quite widespread concern—including from the UK Statistics Authority and organisations representing disabled people—about the DWP commentary accompanying releases of benefits statistics.**

**142. The Government is doing a great deal to promote a positive image of disabled people, including in the principles behind its Disability Strategy and the Disability Confident campaign to help disabled people into employment. However, this positive action risks being undermined if the language used in DWP press releases and ministerial media comments accompanying releases of benefit statistics adopts a tone**

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<sup>143</sup> Letter from the Chair of the UK Statistics Authority to Sheila Gilmore MP, 21 February 2014, available on UK Statistics Authority website at: <http://statisticsauthority.gov.uk/reports---correspondence/correspondence>

<sup>144</sup> First Report from the Public Administration Select Committee, Session 2013-14, *Communicating statistics: not just true but also fair*, HC 190, Summary

<sup>145</sup> PASC press release, 29 May 2013, “[PASC demands that Government stats are presented with “the whole truth”](#)”

which feeds into negative preconceptions and prejudices about people on benefits, including disabled people.

*143. We agree with our colleagues on the Public Administration Select Committee (PASC) that Government statistics should be presented in a way that is fair, accurate and “unspun” and that this is especially the case when they are being used to justify a particular policy or a particular allocation of resources. We reiterate our view that DWP should avoid feeding into negative public views about people who receive benefits, and that statistics should be used objectively to shed light on policy implementation, not to prop up established views and preconceptions. We recommend that, in response to this Report, DWP sets out the specific steps it has taken in response to the comments from PASC, the UK Statistics Authority, and this Committee, to ensure that statistics are released in a way which is accurate, and fair to benefit claimants.*

## List of conclusions and recommendations

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In this List, conclusions are set out in plain type and recommendations, to which the Government is required to respond, are set out in *italic type*.

### Benefits up-rating

1. *Studies have shown that people on low incomes spend a higher proportion of income on rent, heating and food, which are often subject to higher inflation rates than general expenditure. The average annual rate of inflation that the poorest people face may therefore be significantly higher than that incurred by wealthier people. This may mean that people on benefits are likely to be hard hit by a 1% limit on benefit up-rating. We recommend that the Government monitor the impact of this reform on benefit claimants, particularly as many of them may also be affected by other reforms, including those to housing benefit, the introduction of the benefit cap, and changes in entitlement to disability benefits. (Paragraph 13)*

### Personal Independence Payment (PIP) implementation

2. *We agree with the Minister that the current level of service offered to PIP claimants and the length of time claimants are waiting for decisions on their PIP applications is not acceptable. People should not be forced to wait six months or more to find out whether they are entitled to financial support towards the additional costs of living with disabilities and health conditions. Urgent action is required. We recommend that DWP closely examine its own systems and that it work with the contracted providers to resolve the current dire situation. Penalty clauses (service credits) contained in the contracts with providers should be invoked where necessary. We also recommend that DWP clear the existing backlog of claims, and reduce the average time taken to process new claims to the expected 74 days, before it extends the natural reassessment of existing DLA claims to other parts of the country. (Paragraph 48)*
3. *We agree with the National Audit Office that DWP needs to address the stress and uncertainty being faced by PIP claimants suffering delays. We support its recommendation that DWP set out a plan for informing claimants about the delays they are likely to face. We also recommend that DWP takes immediate steps to ensure that claimants are given accurate and timely information when they raise queries about progress with their claim with either DWP itself or with the contracted providers. (Paragraph 49)*
4. *It is particularly important that claims from terminally ill people are expedited and that as much of the stress as possible is removed from the process they have to go through to claim PIP. We recommend that DWP set a target of seven days for processing PIP claims from terminally ill people and that it devotes all the necessary resources to ensuring that this target is met. (Paragraph 50)*
5. *We recommend that DWP also take steps to establish a mechanism for expediting claims from people who may not have a terminal diagnosis, but who have rapidly deteriorating conditions, resulting in a similar need for immediate financial support. (Paragraph 51)*

6. *The fact that claimants are taking longer to return written PIP claims forms and to provide supporting evidence suggests that the claim form, and the guidance for claimants on accompanying information, need improvement. It may also be the case that the four weeks allowed to return the form and supporting evidence is insufficient. These factors may be contributing to the higher than expected level of face-to-face assessments deemed by the providers to be required. We recommend that DWP consult stakeholders on the adequacy of the PIP claim form and the accompanying information provided to claimants and make amendments to both if these are found to be necessary. The time allowed to submit the completed form and supporting evidence should also be reassessed and extended if necessary.* (Paragraph 52)

### Local welfare assistance

7. It is often the most vulnerable people who rely on being able to access hardship payments, previously available from the discretionary Social Fund, in emergency situations. Local authorities are using widely different eligibility criteria and application processes for these schemes. This change has also taken place at the same time as significant reforms to other benefits, particularly support for housing costs. (Paragraph 62)
8. It was the Secretary of State's impression that local authorities may not use their full allocations for local welfare assistance schemes in this financial year, although he acknowledged that it was still too early to tell. However, if this does prove to be the case, it is likely that, at least in part, this is because this is a new responsibility and authorities may understandably have been reluctant to allocate too great a proportion early in the year when they were not in a position to accurately predict demand. This may also have led some local authorities initially to impose very exacting criteria for accessing these funds. (Paragraph 63)
9. *We believe that it is essential that the Government ensures that sufficient funding is available to local authorities to cover the costs of providing the localised welfare support schemes which have replaced elements of the discretionary Social Fund. We recommend that this is done in one of two ways: either DWP should continue to transfer funding to local authorities beyond April 2015, until it has a clear picture of the level of demand; or the local government settlement administered by the Department for Communities and Local Government should be increased by the full amount that would have been allocated for these elements of the discretionary Social Fund, and this sum should be ringfenced for local welfare schemes.* (Paragraph 64)

### Pension charges

10. We previously recommended that member-borne consultancy charges—charges imposed by pension consultants for providing advice to employers, which are then deducted from scheme members' pension pots—should be banned outright. Following our report, the Government announced its intention to ban consultancy charges in automatic enrolment qualifying schemes. This ban came into effect from 14 September 2013. We very much welcome this step. (Paragraph 68)
11. We welcome the Government's decision to bring forward regulations to ensure greater transparency in transaction costs in workplace pension schemes. The range

of charges and costs which scheme members incur can make an enormous difference to the size of the individual's pension pot when they reach retirement. (Paragraph 74)

12. There has also been some progress in tackling the wider issue of high pensions charges in the form of the Government's consultation on a possible charge cap. Although we understand the reasons for the Government's announcement that no steps to implement this important change will be taken for at least another year, it is disappointing that there will not be earlier progress. We reiterate our view that, at a time when millions of people are already being automatically enrolled into workplace pension schemes, it is vital that they are protected from excessive charges imposed by some pension companies and that the charges which are levied are transparent and comprehensible. (Paragraph 75)

### Annuities

13. *The Financial Conduct Authority's intention to carry out a market study of retirement income products, following on from its thematic review of annuities, is welcome. However, the Government and the regulators have had clear evidence for some time that the open market in annuities is not yet working in the best interests of the majority of pension scheme members, many of whom face the risk of substantial financial loss in purchasing an annuity from their pension provider. We recommend that the Government and the FCA take urgent action to make the open market option a realistic one for all those who purchase annuities, not just the minority who are currently able to negotiate it successfully. We reiterate the recommendation from our 2013 report: that, if improvements in the annuity market do not occur soon, the Government might, as a last resort, have to consider taking steps to separate the function of providing pension schemes from that of providing annuities.* (Paragraph 79)

### Defined Ambition and Collective Defined Contribution pension schemes

14. The Government launched a consultation on its plans for Defined Ambition workplace pensions in autumn 2013. We expected to be invited to carry out pre-legislative scrutiny on the resulting proposals for broadening the range of pensions available to employers, but these final proposals have not yet been published. We are concerned that the momentum for bringing forward these proposals may have stalled. It is important, as auto-enrolment widens out to the whole of the working population, and with the continuing closure of private sector Defined Benefit schemes, that employers and employees are offered new ways to share risk and to maximise retirement income. There is additional urgency in that the new arrangements ideally need to be in place by the time contracting-out of DB schemes ends in 2016. We look forward to seeing the Government's legislative proposals for these changes very shortly. (Paragraph 87)

### Child maintenance reforms

15. *The impact on parents of charging for using the new statutory child maintenance scheme needs to be carefully monitored, particularly given that a full evaluation will*

*not take place until 30 months after charging begins. The behavioural impacts, including to what extent charging deters parents from having any maintenance agreement in place at all, are particularly important. We recommend that DWP publish interim updates on the impact of charging on use of the statutory system and on the level of family-based arrangements, in advance of the full evaluation. (Paragraph 104)*

16. *We welcome the Government's use of a pathfinder to introduce the 2012 scheme as a means of ensuring that the new Child Maintenance Service was functioning effectively before it was opened to all applicants. However, replicating and maintaining the service levels achieved in the pathfinder in the national implementation is clearly a challenge. We recommend that DWP monitor this carefully and publish regular updates on standards of service provided to parents. (Paragraph 106)*
17. *The Government's motivation in introducing the new child maintenance scheme is to encourage parents to come to voluntary arrangements. However, many parents will need effective support to enable them to come to arrangements which are workable and acceptable to both parents, and parents will need to know at an early stage where they can go to find this support. We welcome the funding of around £10 million provided for voluntary and third sector organisations as part of the Innovation Fund to test and evaluate interventions that can help parents work together in the best interests of their children. We recommend that, in response to this report, DWP sets out how these projects will be evaluated and what the process will be for extending, funding and publicising the schemes identified as the most effective. (Paragraph 109)*
18. *DWP's strategy for dealing with child maintenance arrears—both historic arrears and those in the new 2012 scheme—needs to be shown to be practicable. It is not yet clear whether the steps introduced to prevent new arrears arising are feasible; nor what the prioritisation of historic arrears for collection means in reality for those parents with care who are owed money. DWP needs to ensure that the decisions it takes regarding the collection of arrears are transparent and communicated clearly and promptly to all parents affected by the new arrangements. (Paragraph 114)*

### **Use of DWP statistics**

19. *DWP releases a great deal of statistical information about benefits. We have commented before that it needs to exercise care in the language used in accompanying press releases and ministerial comments in the media. 2013 saw heightened and quite widespread concern—including from the UK Statistics Authority and organisations representing disabled people—about the DWP commentary accompanying releases of benefits statistics. (Paragraph 141)*
20. *The Government is doing a great deal to promote a positive image of disabled people, including in the principles behind its Disability Strategy and the Disability Confident campaign to help disabled people into employment. However, this positive action risks being undermined if the language used in DWP press releases and ministerial media comments accompanying releases of benefit statistics adopts a tone which feeds into negative preconceptions and prejudices about people on benefits, including disabled people. (Paragraph 142)*

21. *We agree with our colleagues on the Public Administration Select Committee (PASC) that Government statistics should be presented in a way that is fair, accurate and “unspun” and that this is especially the case when they are being used to justify a particular policy or a particular allocation of resources. We reiterate our view that DWP should avoid feeding into negative public views about people who receive benefits, and that statistics should be used objectively to shed light on policy implementation, not to prop up established views and preconceptions. We recommend that, in response to this Report, DWP sets out the specific steps it has taken in response to the comments from PASC, the UK Statistics Authority, and this Committee, to ensure that statistics are released in a way which is accurate, and fair to benefit claimants. (Paragraph 143)*

# Formal Minutes

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**Wednesday 12 March 2014**

Members present:

Dame Anne Begg, in the Chair

Sheila Gilmore

Anne Marie Morris

Glenda Jackson

Teresa Pearce

Kwasi Kwarteng

Mr Michael Thornton

Nigel Mills

Draft Report (*Monitoring the performance of the Department for Work and Pensions in 2012-13*) proposed by the Chair, brought up and read.

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

Paragraphs 1 to 143 read and agreed to.

Summary agreed to.

*Resolved*, That the Report be the Third 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, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Monday 17 March at 4.15 pm.]

## Oral and written evidence

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The oral and written evidence relevant to this report is set out below, grouped by subject. All evidence can be viewed on the Committee's inquiry pages at [www.parliament.uk/workpencom](http://www.parliament.uk/workpencom).

### Update on pension reforms

*Question number*

**Wednesday 23 October 2013**

**Steve Webb MP**, Minister for Pensions and **Sarah Healey**, Strategy Director for Private Pensions, Department for Work and Pensions

[Q1-73](#)

[Written evidence from the Department for Work and Pensions](#)

### Progress with child maintenance reforms

**Wednesday 27 November 2013**

**Steve Webb MP**, Minister of State, **Susan Park**, Child Maintenance Group Director, and **Ian Wright**, Child Maintenance Change Director, Department for Work and Pensions

[Q1-130](#)

[Written evidence from the Department for Work and Pensions](#)

### Personal Independence Payment implementation

**Wednesday 11 December 2013**

**Mike Penning MP**, Minister for Disabled People, **Dr Bill Gunnyeon**, Chief Medical Adviser, and **Jason Feeney**, Benefits Director, Department for Work and Pensions

[Q1-126](#)

[Written evidence from the Department for Work and Pensions](#)

[Supplementary written evidence from the Department for Work and Pensions](#)

### Department for Work and Pensions Annual Report and Accounts 2012-13: DWP Statistics

**Oral evidence: Wednesday 10 July 2013**

**John Shield**, Director of Communications, and **David Frazer**, Director of Information Governance and Security Directorate, Department for Work and Pensions

[Q1-108](#)

[Written evidence from the Department for Work and Pensions](#)

## Department for Work and Pensions Annual Report and Accounts 2012-13

**Monday 9 December 2013**

**Rt Hon Iain Duncan Smith MP**, Secretary of State for Work and Pensions, **Lord Freud**, Minister for Welfare Reform, **Howard Shiplee CBE**, Senior Responsible Officer for Universal Credit, and **Mike Driver**, Director General for Finance.

[Q1-135](#)

**Monday 3 February 2014**

**Rt Hon Iain Duncan Smith MP**, Secretary of State for Work and Pensions, **Robert Devereux**, Permanent Secretary, and **Mike Driver**, Director General for Finance, Department for Work and Pensions

[Q136-292](#)

# List of Reports from the Committee during the current Parliament

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All publications from the Committee are available on the Committee's website at [www.parliament.uk/workpencom](http://www.parliament.uk/workpencom)

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

## Session 2013-2014

First Report	Can the Work Programme work for all user groups?	HC 162 (HC 627)
Second Report	The role of Jobcentre Plus in the reformed welfare system	HC 479

## Session 2012-2013

First Report	Appointment of the Chair of the Social Security Advisory Committee	HC 297
Second Report	Youth Unemployment and the Youth Contract	HC 151 (HC 844)
Third Report	Universal Credit implementation: meeting the needs of vulnerable claimants	HC 576 (Cm 8537)
Fourth Report	Lifting the restrictions on NEST	HC 950
Fifth Report	The Single-tier State Pension: Part 1 of the draft Pensions Bill	HC 1000 (Cm 8620)
Sixth Report	Improving governance and best practice in workplace pensions	HC 768 (HC 485)

## Session 2010-2012

First Report	Youth Unemployment and the Future Jobs Fund	HC 472 (HC 844)
Second Report	Changes to Housing Benefit announced in the June 2010 Budget	HC 469 (HC 845)
Third Report	Appointment of the Chair of the Social Security Advisory Committee	HC 904
Fourth Report	Work Programme: providers and contracting arrangements	HC 718 (HC 1438)
Fifth Report	The Government's proposed child maintenance reforms	HC 1047 (HC 1727)
Sixth Report	The role of incapacity benefit reassessment in helping claimants into employment	HC 1015 (HC 1641)
Seventh Report	Government support towards the additional living cost of working-age disabled people	HC 1493 (HC (12-13)105)
Eighth Report	Automatic enrolment in workplace pensions and the National Employment Savings Trust	HC 1494 (HC (12-13)154)

