

DWP Answers to Questions

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The session opened with questions on unemployment trends and economic inactivity. Ministers emphasised that **the unemployment rate, at 4.7%**, was substantially below historic peaks, while employment had **risen by over 700,000 since mid-2024**. However, economic inactivity had been a major concern under the previous Conservative government, and Labour stressed that the recent fall of 400,000 in inactivity was a sign of progress. In exchanges, the government underlined that universal credit blurs the distinction between in-work and out-of-work benefits, a deliberate reform, though Opposition members queried whether employment support schemes were effectively moving claimants into sustained work. The Opposition also accused Ministers of presiding over rising youth unemployment, arguing that nearly one million young people were not in work or education, and blaming the “jobs tax” and an unemployment rights Bill for damaging opportunities.

Child poverty emerged as a defining issue throughout the session. The government placed employment at the heart of its strategy, but Ministers also confirmed that a **full child poverty strategy would be published in the autumn**, drawing together measures to reduce family costs and increase incomes. Several MPs stressed the link between poverty and food insecurity: in Derby, one in four children were living in poverty and local charities had distributed 20,000 food parcels. The Secretary of State committed to tackling food poverty directly, pointing to reductions in deductions from universal credit, the expansion of the crisis and resilience fund (with its first three-year settlement), and the extension of free school meals to all children in families on universal credit. The government also confirmed that over 100,000 children would be lifted out of poverty through this extension alone, with summer holiday provision also secured. For disabled children and those with special educational needs, Ministers promised that the poverty strategy would specifically address their needs, and noted that the cross-Government taskforce had already held sessions with families and charities. There was also discussion of the **socioeconomic duty in the Equality Act 2010**: Liz Kendall acknowledged the importance of tackling inequalities in decision-making, stressing that new targets had been set for jobcentres to reduce gaps across groups and regions.

The plight of **young people not in education, employment or training (NEETs)** was repeatedly raised, with MPs highlighting stark statistics in constituencies from Hexham and Barrow to Croydon, Bristol, Southend and Cornwall. Ministers pointed to the **youth guarantee**, which aims to ensure that every young person is either “earning or learning”. **Eight trailblazer areas had been launched, backed with £45 million of additional funding**, offering tailored support including free bus travel in some areas, outreach partnerships with football clubs, and bespoke jobcentre programmes. The government repeatedly underlined that support must be locally tailored, whether through mobile jobcentres for rural communities, or employer engagement hubs like BAE’s “The Bridge” in Barrow. **MPs stressed that mental health vulnerabilities and disadvantage were major risks for NEET young people, and Ministers confirmed that the joint Work and Health Unit with DHSC would prioritise such cross-cutting needs.**

Attention then shifted to disability and health-related benefits, with Sir Stephen Timms confirming that **spending on incapacity and disability benefits is forecast to reach £90.7 billion by 2030**. He highlighted that **£3.8 billion is being invested in employment support** for people with health conditions, described as the biggest package ever. **The government is also reviewing personal independence payment (PIP) assessments, co-producing reforms with disabled people**. MPs raised cases of unfair reassessments, delays, and the stress caused by remote assessments, especially telephone-based ones. **Ministers confirmed that the shift would now be back towards face-to-face assessments, with increased staffing at centres, though phone and video alternatives would remain available where helpful**. There was debate over whether Access to Work support was being reduced “by the back door”: Timms denied any cuts but admitted there had been inconsistencies in applying published guidance.

The wider welfare system was another recurring theme. The Opposition repeatedly pressed the Government on whether benefits such as the two-child cap would be lifted, warning of spiralling welfare costs. **Conservative MPs called for tougher restrictions, including on PIP eligibility, payments to foreign nationals, and benefits for “common” mental health conditions. The government rejected** these proposals, instead framing its reforms as aimed at removing “perverse incentives” in universal credit that encouraged people to define themselves as incapable of work, while simultaneously raising the standard allowance and halving the health top-up for new claims. Ministers highlighted that welfare reform is complex and affects “real people and real lives”, but maintained that investment in employment support is the best route to reducing long-term costs.

Fraud in the welfare system received considerable attention. Ministers confirmed a major package of anti-fraud measures, underpinned by **the new Public Authorities (Fraud, Error and Recovery) Bill, which the OBR estimates will save £9.6 billion over five years**. The package aims to modernise powers so the system can keep pace with those exploiting it. Some MPs, however, stressed that tackling tax avoidance and evasion should also receive equal attention, with Ministers agreeing and pointing to the recruitment of 5,000 additional tax investigators.

On pensions and pensioner poverty, **the government reiterated its commitment to the triple lock, with an additional £31 billion invested this Parliament**. Ministers pointed to record increases in the state pension and to the biggest-ever pension credit take-up campaign, which had already led to 60,000 more awards than the previous year. Nonetheless, questions were asked about delays in processing claims, with some pensioners waiting months, and about the fairness of reforms to winter fuel payments, which critics argued hit vulnerable pensioners last winter. Torsten Bell insisted the changes were targeted at the richest pensioners, with protections for the poorest, and reassured MPs that payments would be recouped automatically through PAYE for most people. He also confirmed the establishment of a new **Pensions Commission**, tasked with ensuring long-term adequacy of savings in light of evidence that nearly half of working-age adults, including one in four low earners, are saving nothing for retirement.

Cross-cutting themes also emerged in relation to **data sharing and local authority support**. The Department for Work and Pensions confirmed plans to expand real-time data sharing, particularly for housing benefit and care homes, and was exploring innovative models such as

the WorkWell scheme. MPs argued that automatic enrolment in free school meals should be introduced, to ensure no child went hungry due to administrative barriers. Ministers pledged to work closely with the Department for Education to explore this, and confirmed that extending free school meals to all children in households on universal credit would, in itself, lift 100,000 children out of poverty.

A number of topical issues were raised. **Ministers highlighted reforms to statutory sick pay, which will improve eligibility for 1.3 million low-paid employees**, many of them women, by removing the waiting period and boosting income at the start of sickness absence. There was also discussion of the **carer's allowance overpayments review**, with Ministers confirming they had received Liz Sayce's report and would publish it, alongside a government response, soon. The government is also considering introducing a taper to prevent large overpayment debts in the future. Questions also touched on reforms to parental leave, the Connect to Work programme for those with complex barriers, and the new disability advisory panel, chaired by Zara Todd, which will advise on co-production of the PIP review.