

## 14 October 2025 - Economic Affairs Committee - Oral evidence

Preparing for an Ageing Society

See the full transcript [here](#)

Witnesses:

- James Murray MP, Chief Secretary to the Treasury at HM Treasury
- Laura Webster, Director of Personal Tax, Welfare and Pensions at HM Treasury
- Antonia Williams, Director of Public Services at HM Treasury

The Economic Affairs Committee met on 14 October 2025 for its final evidence session in the inquiry into preparing for an ageing society. The witnesses—James Murray MP, Laura Webster, and Antonia Williams—discussed the fiscal, social, and economic implications of demographic change. The Chair, Lord Wood of Anfield, led questioning alongside several peers including Lords Blackwell, Lamont, Turnbull, and Baroness Wolf. The central themes were the intergenerational balance, workforce participation, productivity, pensions, and long-term sustainability of health and social care systems.

### **Framing the Challenge: Demographic Pressures and Opportunities**

James Murray began by emphasising that increased longevity is an achievement to be celebrated, reflecting societal progress in health and quality of life. However, he acknowledged the accompanying demographic pressures: supporting current pensioners, preparing younger generations for retirement, and managing intergenerational relations. The Government's approach spans three lenses—ensuring older citizens' financial and social security, preparing younger people through savings and education, and addressing the linkages between these groups. Current government initiatives include the pensions investment review, the Casey review into social care, and an independent review of the state pension age. The ongoing Pensions Commission aims to plan for the 2050s and beyond. Murray framed these efforts as ensuring today's systems remain sustainable and equitable across generations.

### **Government Machinery and Coordination**

The Chair raised concerns about the lack of ministerial ownership of ageing policy. Murray argued that, given the issue's cross-cutting nature, responsibility must remain distributed across departments, from health to housing to social care, with the Treasury and No.10 ensuring coherence. He suggested a centralised "Minister for Ageing" might oversimplify a multi-dimensional issue. Instead, interdepartmental collaboration, guided by overarching Treasury oversight, was preferred.

### **Fiscal Sustainability and Long-Term Planning**

Lords Blackwell and Lamont questioned the Treasury's preparedness for the fiscal consequences of an ageing population. The Office for Budget Responsibility (OBR) projects that rising dependency ratios and healthcare spending could render the public finances unsustainable within decades. Murray acknowledged these risks but stressed ongoing reforms within the NHS towards prevention, community care, and efficiency gains. He reiterated that such demographic issues require long-term, consensus-based responses rather than short-term fixes. The Treasury, he said, is committed to balancing fiscal responsibility with sustained public investment in preventative health and productivity.

### **Encouraging Later-Life Work and Tackling Inactivity**

Lord Turnbull highlighted that policies should enable, not simply "look after," older people—encouraging self-sufficiency through extended working lives. Murray agreed, noting that health remains the biggest barrier to employment among older workers. Programmes such as Connect to Work aim to address inactivity, with innovative elements like embedding job coaches in GP surgeries to link health and employment support. The Government's Employment Rights Bill and lifelong learning entitlement also aim to make late-career employment more flexible and accessible. Webster added that incentives such as changes in the state pension age, private pension access age, and behavioural design in pension systems all influence retirement decisions. She highlighted the need for better guidance in the "decumulation phase," as individuals shoulder more responsibility for their retirement outcomes.

### **Employment Support and Labour Market Activation**

Lord Liddle pressed on the resource allocation for employment programmes, suggesting "spend to save" logic should guide investment. Murray confirmed £1 billion over five years is allocated to employment support, with £167 million for Connect to Work. He also referenced Sir Charlie Mayfield's Keep Britain Working review, which explores how employers can prevent older employees from leaving the workforce prematurely. Lord Petitgas linked inactivity across all age groups to fiscal strain, arguing that better data and segmentation are needed. Murray agreed, reiterating the Government's aim to reduce economic inactivity across generations through tailored support and stronger incentives to work.

### **Industrial Strategy, Productivity and Skills**

Lord Davies questioned why the Government's industrial strategy omitted explicit reference to ageing. Murray responded that demographic change should be integral to growth policy, connecting industrial strategy with lifelong learning and regional employment opportunities. He underlined that economic growth is the foundation for fiscal sustainability, and that skills initiatives such as Skills England and the adult skills fund must align with industrial priorities. Baroness Liddell expanded on the role of employers, suggesting cultural and policy changes are required to normalise "unretiring" and second careers. Murray and Webster agreed, citing the

Keep Britain Working review and the importance of information, advice, and flexible working opportunities for older employees.

### **Skills Infrastructure and Education Reform**

Baroness Wolf focused on the lifelong learning entitlement, a key outcome of the Augar Review, stressing that without proper institutional incentives, the scheme could fail to reach mid- and late-career workers. Murray concurred, noting the need for both national and local coordination between education providers and businesses to identify and meet skill needs. Williams added that the Treasury plays an active role in the “growth mission,” coordinating with departments and regional authorities to ensure labour market policies are responsive to local economic realities.

### **Migration and Demographic Change**

Lord Razzall raised questions about changing migration patterns post-Brexit. Murray confirmed that most recent migrants remain within the 16–34 age range, though dependency ratios have been affected by an increase in dependants accompanying workers. The Government’s strategy now focuses on reducing net migration and prioritising high-skilled, high-wage migrants to enhance fiscal contributions.

### **Healthy Life Expectancy and Preventative Health**

Lord Lamont highlighted the growing gap between life expectancy and healthy life expectancy. Murray acknowledged this as central to fiscal sustainability, noting that preventive health measures, community-based care, and improving long-term wellness are essential to offsetting pension and healthcare pressures. He reiterated that healthier, longer lives are desirable even if they carry fiscal costs.

### **Preparing Younger Generations and Financial Literacy**

Questions from Lord Petitgas and Lord Turnbull turned to the role of financial education. Murray emphasised the importance of compulsory financial education in schools, alongside tools like the HMRC app and MoneyHelper service, to help individuals make informed pension and savings decisions. Webster discussed the benefits of automatic enrolment, which has created a new generation of pension savers, though she acknowledged challenges around fragmented pension pots and public understanding of compounding and transfers.

### **Social Care Funding and Data Gaps**

Baroness Wolf revisited the issue of social care, pressing for better modelling and data. Murray outlined the two-phase Casey Review, designed to assess both medium-term resource use and long-term systemic reform. Williams admitted that the social care sector lacks the granularity of

NHS data due to its fragmented nature but highlighted progress since COVID-19 and ongoing efforts to strengthen local accountability and outcomes frameworks.

### **Social Care Workforce and Domestic Supply**

Lord Davies raised ethical and practical concerns about overreliance on migrant social care workers. Williams described the care workforce pathway—a new national career structure—and a £500 million initiative to establish a fair pay and conditions body to improve recruitment and retention within the domestic workforce. Both witnesses emphasised progression and professionalisation as keys to stability.

### **Productivity, Growth, and the Triple Lock Debate**

Returning to fiscal implications, Lord Blackwell pressed the witnesses on whether rising dependency ratios necessitate explicit productivity targets to prevent declining living standards. Murray agreed that productivity is central to fiscal stability and outlined the Government's strategy of stimulating public and private investment. However, he maintained the Government's commitment to the pension triple lock, despite its cost implications, arguing it upholds dignity for pensioners. Webster later clarified that while the OBR's long-term outlook is challenging, the UK has a "window of opportunity" to act through the Pensions Commission and Casey Review to avert unsustainability. The session closed with Lord Agnew questioning whether the triple lock discourages self-reliance, before proceedings were adjourned for a vote.