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THE ANDREW MARR SHOW

INTERVIEW:

IAIN DUNCAN SMITH, MP

WORK AND PENSIONS SECRETARY

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ANDREW MARR:

Now along with cutting the deficit, reforming welfare is the Coalition's other huge project and it's very much a personal mission for the Welfare Secretary Iain Duncan Smith. A raft of benefit changes came into force a year ago and he says they're already making big savings for the Government. But at what cost to the unemployed, the poor and the disabled? Mr Duncan Smith is with me now. Good morning.

IAIN DUNCAN SMITH:

Good morning, Andrew.

ANDREW MARR:

Can I ask, first of all, about ESA, the important new benefit for disabled people and so forth? Why did you ignore your main adviser before rolling it out to 1.5 million people? Professor Harrington, I'm talking about.

IAIN DUNCAN SMITH:

No, we haven't actually. The PIP is what you're talking – Personal Independence Plan – and that is being rolled out in stages. We've kept it under careful check and what we're doing is adjusting as we go along. We haven't rolled it out in a big bang. It's

been quite deliberate to do that. Professor Harrington did three reviews of the ESA, which was the contract awarded by the last government.

ANDREW MARR:

(over) And said don't roll it out, but you did roll it out.

IAIN DUNCAN SMITH:

No, we haven't fully rolled it out. We've actually kept it carefully in check. We're making adjustments to it now. We know as the bigger volumes go through, we can see where the issues are with it and we're adjusting those ...

ANDREW MARR:

Okay.

IAIN DUNCAN SMITH:

... so that when we fully roll it out, it should be perfect. Unlike previously where they rolled out ESA, which went and then had problems with it.

ANDREW MARR:

This is a complicated area with a thicket of acronyms, very difficult to understand ...

IAIN DUNCAN SMITH:

Very difficult indeed, yeah.

ANDREW MARR:

... so can I turn to one very specific thing that people will understand?

IAIN DUNCAN SMITH:

Yeah.

ANDREW MARR:

Under the old regime, if you could walk for 50 metres but no further, you got the top rate of disability living allowance. You have changed that to make it just 20 metres, thereby cutting out a lot of people from that rate. Why did you do that?

IAIN DUNCAN SMITH:

No, again this is more complex than this. What we've actually said is it's better to have essentially the measurement go in two stages. That is to say that you ask people can they make it over that ground without support ...

ANDREW MARR:

The 20 metres, which is not far enough to get to your car.

IAIN DUNCAN SMITH:

No, but if it's clear that they can't do so but without concern, without difficulty, then they will get the full award. The point is to get a measure that allows us to see first of all can they get to that 20, can they get to the 50. It's actually better for them in the long run because it allows us to be able to focus in then on those who have serious difficulty at the shortest distances as well, and they will be the ones most seriously affected. So they won't have to prove a longer distance. It'll actually be better for them. So we consulted on this widely, we think it's right, but it does allow flexibility with those people who are doing the checks to ensure that those people who make it over 20 metres – is that process of making it over 20 metres fair and reasonable or do they really struggle?

ANDREW MARR:

Well you consulted and you got back I think 11,049 responses. Can you enlighten us on how many of those were in favour of what you were going to do?

IAIN DUNCAN SMITH:

Well there weren't a huge amount in favour.

ANDREW MARR:

Seven is the answer ...

IAIN DUNCAN SMITH:

Well to be fair ...

ANDREW MARR:

... out of 11... 1100.

IAIN DUNCAN SMITH:

But Andrew, to be fair, almost every change you make in this area, very few people at first will support it. You know all of our disability changes - we are keeping the level of disability payments at the same level, so they've gone up with inflation; we've protected them. We spend more on disability and sickness benefits than almost any other country in Europe. Double that of Germany, by the way. And what we're trying to do with these reforms is to get them to be fair, so that the people who need them get better payments and those who don't need the higher levels don't take those higher levels.

ANDREW MARR:

(over) But you have in this change just made things an awful lot harder for people who find it hard to walk very far. That's certainly clear and that was intentional surely?

IAIN DUNCAN SMITH:

No, what's intentional is we want to get it so it's more accurate. And bear in mind that under the last ... the DLA system, 70 per cent of the people that went to DLA and made a claim got awards for life. And what we're introducing here is regular checks, face to face, so that if somebody feels in the course of that year things have deteriorated, when they come back in front of the person in the following year they will immediately pick that up and they'll be raised. Had somebody gone on the previous system, it could have been years and years and years before they'd have had a chance to alter that situation. So this is much fairer for everybody - those face to face checks.

ANDREW MARR:

It's also much tougher, isn't it? Taking it from 50 metres to 20 metres is much tougher nonetheless?

IAIN DUNCAN SMITH:

But it's a criteria by which people who if they succeed on that, then they will get the full support. My point is because of the face to face checks, it's much more likely now you'll get a more accurate reading on this. And after all, you know, as I said, we spend more money on disability payments than almost any other country in Europe. And I'm proud of that, by the way, but my point is taxpayers who quite rightly want to protect those who are the most disabled, the most difficult, they also need to know that that money goes to those who need it most, so they should get the biggest rewards and support, and those that can help themselves a little bit better, we need to help get work.

ANDREW MARR:

I just come back to the point, if I can totter 15 metres just about to the end of the road to get to my car, I would have got this benefit before. Now I don't get it. And I get it ...

IAIN DUNCAN SMITH:

No.

ANDREW MARR:

... 20 metres is for a lot of people not far enough to get to their cars.

IAIN DUNCAN SMITH:

It's not a simple statement of distance, which it was before. Now it is about how easy is it for you to make that process? Do you need significant aids? Do you find difficulty in doing it? Because it'll be a face to face assessment – before it was not – a face to face assessment allows those advisers regularly to review your capability. Honestly it's been miscast as a simplistic measure. It's a much more complex measure, giving them much greater scope to be able to measure that properly, so that we take consideration of that level of difficulty that you have as you move across that distance.

ANDREW MARR:

Do you know how many people have lost their benefit because of this change?

IAIN DUNCAN SMITH:

I don't ... I'm not aware that people have lost it because of the change. What I ...

ANDREW MARR:

I think it's tens of thousands. And the trouble is ...

IAIN DUNCAN SMITH:

(over) But hold on.

ANDREW MARR:

... because it's a gateway benefit, then they lose ...

IAIN DUNCAN SMITH:

(over) ... do you know how many people have actually gone on to get a better reward as a result?

ANDREW MARR:

No I don't.

IAIN DUNCAN SMITH:

There will be more people. And the other thing about PIP, which is very, very important – it's always by the way cast as who loses – the truth is it's not about losing; it's about getting a better reward. Can I just say something? PIP will now be much, much better than disability living allowance was for people with mental health conditions. It was massively failing for them. The criteria are now set to help them enormously, so they will do better, they will get better rewards, and therefore we will bring them properly into the support for disabled people.

ANDREW MARR:

The company that was brought in to assess people for this –Atos – has now walked away, effectively asked you to buy them out.

IAIN DUNCAN SMITH:

No, not true.

ANDREW MARR:

Not true?

IAIN DUNCAN SMITH:

Can I just explain this? Over the period, we inherited a contract that was signed by the last government. I had to bring in Professor Harrington to do three separate reviews and another individual to do the fourth review and maybe a fifth review to try and improve what was a poorly performing programme. Over that period, we became concerned about the performance of Atos against that, but the contract, had we broken that, would have cost us millions and millions. But last year, I was able to demonstrate that they had not performed against some of the set criteria, so we started immediate negotiations with them about changing that, and we have actually now asked them to go, to leave. They didn't ask us to go. We have asked them and we will not pay a penny for that. They will actually pay reparations for failure to achieve what they were meant to achieve, so the taxpayer will not be out of pocket either. So that's a very important measure. We said it was time to go, not the other way round.

ANDREW MARR:

And when will we hear what other company or companies are going to take over because people are very, very worried about the transition arrangements?

IAIN DUNCAN SMITH:

They are. We're supporting this and we've been working very hard to make that happen and nothing untoward should happen in the meantime. We are going to immediately compete for other contracts and we will improve this contract. Because one of the big problems was it was a badly set contract in the first instance.

ANDREW MARR:

Right.

IAIN DUNCAN SMITH:

We can make major improvements to it to help those ...

ANDREW MARR:

(over) So at this stage, you don't know who's going to take over?

IAIN DUNCAN SMITH:

No because we've only just literally said go to Atos and we've reached that agreement with them – not costing us a penny. Had we broken that contract without cause, it would have cost the taxpayer many millions of pounds.

ANDREW MARR:

And what about all of those people waiting to be assessed and not getting benefits at the moment? It is said that a lot of people in this kind of situation are having to use food banks, are really suffering severe problems because of the failures of the system, the slowness of the system to assess them.

IAIN DUNCAN SMITH:

People who have applied for PIP, we are now speeding up that process of assessment. Those who have come up for annual reassessment ...

ANDREW MARR:

(over) Late in the day perhaps?

IAIN DUNCAN SMITH:

No, we've been doing it all the way along the line. I mean this is not ... Andrew, this is not an easy or simple business.

ANDREW MARR:

Clearly, no.

IAIN DUNCAN SMITH:

We are trying to get people assessed. The last government started that process. We've continued it. The idea is to get people assessed, so that we can find out those whose conditions have improved can then seek work – and we've got many going back to work now – and those who need full support get that full support. But I think most

taxpayers who pay their money to support sick and disabled people will want to know one thing: that the money they pay goes definitely to those who need that support – which is what we’re guaranteeing – and for those who can do other things, they want to see them move back into the world of work. And of course we know from many disabled people themselves that actually they want to try and achieve work. And we started this huge thing ...

ANDREW MARR:

Sure.

IAIN DUNCAN SMITH:

... called Disability Confident, rolling out over the UK, connecting businesses now with disabled people, trying to persuade them that you don’t have to do a lot to take people who are disabled back to work.

ANDREW MARR:

Okay.

IAIN DUNCAN SMITH:

And people on PIP and disability allowance don’t lose that when they go back to work. That’s the important thing.

ANDREW MARR

Of all the savings made to kind of cut the deficit reduction, a fifth are being paid for by people who are sick and disabled. That’s a huge amount of money - £28 billion over five years – so it beggars belief that this can be done without causing pain and difficulty to people who are disabled.

IAIN DUNCAN SMITH:

Well here’s the point: it is not easy or simple to do this, but honestly the systems that we had in place previously were not working any longer. As I said earlier on, on disability living allowance some 70 per cent of those who got awards got lifetime awards. Nobody saw them. Under the old sickness benefit, incapacity benefit scheme, a million people sat on that for ten years and not one single person was seen by

anybody whether they got better or worse. So my point is we're reforming and changing this principally and immediately because it's not right to leave people languishing with no-one checking their condition. It's far better to have regular reviews, which is what we will do. If your condition gets worse, you should get more support. If your condition gets better, then it's far better that you then move into a position where you can get work and where you can be seen and helped and supported.

ANDREW MARR:

Can I turn to the bedroom tax, which is another highly controversial area, where you know people can see that this works if there's a perfect market and people can move out of one kind of accommodation straight into another, but in most parts of the country there is no kind of perfect market and people find it very difficult to move to a smaller accommodation perhaps. And what we're seeing again and again and again are lots of people in real difficulty, facing homelessness, having to use food banks because of this tax. Can you understand why it is so disliked?

IAIN DUNCAN SMITH:

Well, first of all, it's not.

ANDREW MARR:

It's not a tax. I know ...

IAIN DUNCAN SMITH:

Let's be clear about this. It is not a tax. What has happened for years and years and years is we have subsidised people to live and stay in accommodation which they don't fully occupy. Now many taxpayers who pay that themselves have to make choices on low and marginal incomes to live in houses that they can afford, and it's quite right I think to ask people in social housing to make the same choices. That's the first principle. The second point about this is very important. The last government introduced exactly the same change to tenants living in the private sector who were on housing benefit. They're not allowed to have spare rooms. And so now what you have, we inherited a position where on the one hand one lot of housing benefit tenants were treated one way and the other lot were treated the other. And let me ... I'll finish

because this answers your question. So what was the principle behind this? It's quite simply this. You know we're saving half a billion or £450 million a year on this by doing what? Asking people who want to stay in those homes to pay more – in other words to cover the overall cost. We believe there's also 300,000 people who've been living in overcrowded accommodation who need to get into decent houses. They're blocked because people who are living in houses they don't occupy aren't moving and councils need to change that. And the third area if you want to stay in that house, this is becoming ...

ANDREW MARR:

Okay.

IAIN DUNCAN SMITH:

... I believe an encouragement to go to work. So this is a balanced and fair policy for taxpayers and for those living in homes.

ANDREW MARR:

(over) Except even your Liberal Democrat colleagues are distancing themselves from this now.

IAIN DUNCAN SMITH:

(over) No they're not.

ANDREW MARR:

Tim Farron himself said that ...

IAIN DUNCAN SMITH:

(over) Tim Farron has voted against this personally all the time. In the Lords a day later ...

ANDREW MARR:

(over) But he's also the Party President.

IAIN DUNCAN SMITH:

(over) ... a day after in the Lords the Liberal Democrat spokesman got up and said that was a lot of nonsense ...

ANDREW MARR:

(over) Okay, alright.

IAIN DUNCAN SMITH:

... and they voted for it. But honestly, this is really, really important. This is an important reform we would do even if we didn't have to save the money. Why? Because in a finite level of resources, you need to make the most of your housing stock.

ANDREW MARR:

Okay, alright.

IAIN DUNCAN SMITH:

For too long councils and housing associations have done ...

ANDREW MARR:

(over) Can one briefly change the subject before you do?

IAIN DUNCAN SMITH:

Two hundred thousand ... Honestly housing swap...

ANDREW MARR:

I'm going to say the words 'Maria Miller' because we have to talk about her.

IAIN DUNCAN SMITH:

Okay. Housing swap providers though will tell you that there are hundreds of thousands of houses all over the country where people are swapping those for ...

ANDREW MARR:

(over) Speaking of housing swap, let's turn to Maria Miller. Eighty per cent of Conservative supporters want her to go. Are you just going to tell them all to get

knotted?

IAIN DUNCAN SMITH:

No, this is complex. I know Maria very well. She worked for me before she went to cabinet. I am enormously fond of her. I think she has done a very good job in a very difficult set of circumstances with the Leveson Inquiry which has stirred up a lot of media antipathy to her, I know. And also the gay marriage stuff. There's a lot of Conservatives out there who perhaps weren't necessarily in support of it all, so feel rather bitter about that. So in a sense she is also receiving some of that as part of this process. I've known her always to be a reasonable and honest person and ...

ANDREW MARR:

(over) But is she doing the Government any good or herself any good by staying in office at the moment, do you think?

IAIN DUNCAN SMITH:

Well you know I think this is a matter that the Prime Minister has to take consideration of and she herself. But my view generally is that I'm supportive of Maria because I think if we're not careful, we end up in a witch hunt of somebody.

ANDREW MARR:

Yeah.

IAIN DUNCAN SMITH:

The committee itself has told her that she needs to pay some money and she should apologise ...

ANDREW MARR:

(over) So she should rethink perhaps?

IAIN DUNCAN SMITH:

Sorry?

ANDREW MARR:

She should rethink perhaps her position?

IAIN DUNCAN SMITH:

No, I don't think so. I think it's up to her, whatever she wants to do.

ANDREW MARR:

The Parliamentary Standards Commissioner has said that it's time for MPs to effectively stop marking their own homework; that this needs to be taken out of the House of Commons and given to a genuinely independent body – the expenses issue. Is he right about that?

IAIN DUNCAN SMITH:

There is always a debate running on this. There are independent individuals in the committee and what's interesting during the course of ...

ANDREW MARR:

(over) But they don't have a casting vote.

IAIN DUNCAN SMITH:

They don't have a vote, but in the course of this report they didn't also try and amend it. So they haven't made an issue in believing this is not a fair result. I'm very happy for that to be debated. I'm amongst a number of those who feel this goes on and on and on eating away at the credibility of Parliament. Whatever it takes to restore that credibility is ...

ANDREW MARR:

(over) So he may have a point?

IAIN DUNCAN SMITH:

Look, I'm very open to independent people looking at this. Personally I think the sooner we can get rid of this nonsense, the better.

ANDREW MARR:

Alright. Iain Duncan Smith, thank you very much indeed for joining us.

IAIN DUNCAN SMITH:

Pleasure.

INTERVIEW ENDS