



Department
for Work &
Pensions

THE RT HON. SIR STEPHEN TIMMS MP
Minister for Social Security and Disability
Department for Work and Pensions
Caxton House
Tothill Street
London, SW1H 9NA

24 February 2025

Harriet Cross MP
House of Commons
London
SW1A 0AA
Postcode

Dear Harriet,

Thank you for joining the Delegated Legislation Committee on 12 February 2025 to consider the Pneumoconiosis etc. (Workers' Compensation) (Payment of Claims) Regulations 2025 and the Mesothelioma Lump Sum Payments (Conditions and Amounts) (Amendment) Regulations 2025. It was a pleasure to discuss these schemes with you and I am grateful for your support for these instruments which will ensure that one-off lump-sum awards under the Pneumoconiosis etc. (Workers' Compensation) Act 1979 scheme and the 2008 diffuse mesothelioma scheme will increase by 1.7% for those who first become entitled to a payment from 1 April 2025.

During the debate, you raised a number of questions which I am glad to address in more detail below.

You asked how many individuals are expected to receive payments from the schemes over the next year, the next five years, and the next ten years. Our internal analysis forecasts that 2,250 awards will be made in the 2025/26 financial year under both schemes. The total number of awards forecast for the five years from 2025/26 to 2029/30 is 10,410.¹ The department produces forecasts in line with fiscal event timelines and so does not hold any forecasts for financial years beyond 2029/30.

The total expenditure forecast for awards made under both schemes over the same periods are as follows: £47 million for the 2025/26 financial year and £229 million for the five years from 2025/26 to 2029/30.² These forecasts mean that for the financial year 2025/26, the average payment per award would be £20,940, and for the five years from 2025/26 to 2029/30, the average payment per award would be £22,010.³ Funding for awards made under both these schemes comes from the Department's DEL (Departmental Expenditure Limit) budget.

¹ Forecast caseload figures are unpublished

² <https://www.gov.uk/government/publications/benefit-expenditure-and-caseload-tables-2024>. Industrial injuries benefits expenditure, nominal terms.

³ Forecast average awards are calculated using unrounded figures. Forecast caseload figures are unpublished.

You also asked for the Government's latest estimate of the long-term cost of these schemes to the public purse. It is important to note that the awards paid out under both of these schemes can be recovered when recipients go on to make a further civil damages claim. For example, in 2023/24, the Compensation Recovery Unit recovered £23.8 million from civil compensation payments in respect of money already paid out under both lump-sum schemes.⁴ At the time of writing, our internal analysis forecasts the net cost to DWP of these schemes to be £20.6 million in 25/26 and £90.7 million in the five years from 2025/26 to 2029/30.⁵

I believe that I have addressed all of the issues you raised on the day. I will place a copy of this letter in the House Library for reference.

Yours sincerely,

A handwritten signature in black ink, reading "Stephen Timms". The signature is written in a cursive style with a horizontal line above the name.

Rt Hon. Sir Stephen Timms MP
Minister for Social Security and Disability

⁴ <https://www.gov.uk/government/publications/recovery-data-for-the-2008-diffuse-mesothelioma-scheme>

⁵ Forecast CRU recovery figures are unpublished.