

Work and Pensions Committee

Oral evidence: DWP's Annual Report and Accounts 2019-20, HC 759

Wednesday 21 October 2020

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Members present: Stephen Timms (Chair); Debbie Abrahams; Shaun Bailey; Neil Coyle; Steve McCabe; Nigel Mills; Selaine Saxby; Chris Stephens; Sir Desmond Swayne.

Questions 1-106

Witnesses

Debbie Alder, Director General, People and Capability, Department for Work and Pensions; Nick Joicey, Finance Director General, Department for Work and Pensions; John Paul Marks, Director General, Work and Health Services, Department for Work and Pensions; and Peter Schofield, Permanent Secretary, Department for Work and Pensions



Examination of witnesses

Witnesses: Debbie Alder, Nick Joicey, John Paul Marks, and Peter Schofield.

Q1 **Chair:** Welcome to this meeting of the Work and Pensions Select Committee. We are very pleased to be joined by the Permanent Secretary and JP Marks, and also Nick Joicey and Debbie Alder from the Department. Peter, do you want to briefly introduce the team?

Peter Schofield: Yes. JP to my left is the Director General for Work and Health Services, leading on all of our working-age service delivery work across the Department. Nick Joicey is our Finance Director General and Debbie Alder is our People and Capability Director General. I am the Permanent Secretary, Peter Schofield.

Q2 **Chair:** Thank you all very much for joining us. I will ask the first question. Fraud and error in Universal Credit is the highest the Department has ever recorded, with more than £1 spent incorrectly for every £10 benefit paid out. How long do you think it will take to reduce the level of fraud and error to an acceptable level?

Peter Schofield: Thank you for the question. Let me start by saying that fraud and error is one of the three principal risks set out in the annual report and accounts. The level of fraud and error currently in Universal Credit is higher than I would like it to be. We always assumed that there would be upward pressure on fraud and error in the DWP elements of the benefit system as Universal Credit was rolled out. Universal Credit brings in a population of people from the tax credits cohort who have more propensity to change their circumstances and the eligibility criteria, which changes the overall mix of DWP benefits. We always knew that there would be upward pressure on overall fraud and error in DWP. Our work has been to try to stabilise that and push it down.

The key question on Universal Credit is that you get an overall reduction in the taxpayer exposure through bringing people over from tax credits and into the system in Universal Credit where, for example, you obviously have a monthly check on people's incomes and a direct feed from the HMRC. What you see in the NAO's report "Universal Credit: getting to first payment" is the first assessment of the overall Exchequer position, which I think is the first place to look. It is paragraph 2.24 of that paper. You will see that there is a reduction. In 2018-19, which is the last year it had the numbers for, we have an overall reduction in the Exchequer loss as a result of Universal Credit of £62 million. That is the start.

Q3 **Chair:** How much?

Peter Schofield: £62 million. That is the start, but by no means the end point. The key thing for us in Universal Credit is that we know where the loss is coming from and we can develop strategies to address that. If you like, I can unpack some of that.

Q4 **Chair:** Let me ask a question relating to that unpacking, because the



Department forecast 6.4% Universal Credit overpayments in 2019-20 but it was 9.4%. As I understand it, most of the difference was payments that should not have been made because of claimants' savings. How hopeful are you of getting on top of that issue specifically?

Peter Schofield: That is one of the biggest challenges. It is not the only one but it is one of the biggest challenges. Capital savings, as you referred to, Chair, accounted for 2.8% of the 9.4%. Of course in tax credits there are no capital limits, so that is one of the interesting challenges in this space. We are finding that the loss because of capital is higher than we have anticipated it being, but there is a lot of work going on here. The first thing is to make it easier for claimants to be able to disclose that they have a change in capital. That has been quite difficult in the system. We have changed that and made it easier. With all of these areas, the first thing is to make it easier for claimants to tell us about a change in circumstance, putting the onus on them.

The second thing is understanding whether we can get better access to data on bank account details, in the same way as we have brilliant access to data from the PAYE system for earnings. We have a proof of concept with a bank, using some of our existing powers to enable us to access data on bank deposits. That has shown some pretty good results. The challenge is that we probably need new legislation to enable us to get the bulk transfer of data to enable us to do this at a reasonable scale to make a big difference. We are working across with other Government Departments who have a similar interest to us in being able to do this. We are working with the Cabinet Office to see what case can be made for potentially additional legislation to enable us to make a difference here.

Q5 **Chair:** So it will require additional legislation to get across it?

Peter Schofield: I think so. As I say, some of the things we are doing to make it easier for people to disclose their bank account savings position may help. We are looking carefully at the way we measure this as well. The thing I want to emphasise to the Committee, and I could share it, is we have a detailed heat map that enables us to see for every benefit every element and cause of loss. It plays into some of the recommendations that the National Audit Office had for us in the annual report and accounts, which is about being able to demonstrate that we understand where the loss is coming from and that we can then develop clear strategies for addressing each of those areas. We then measure it and evaluate and come back and look again. In some places we have made good progress. Earnings from employment and childcare costs are virtually zero fraud and error compared with tax credits and other benefits.

Q6 **Chair:** The National Audit Office reported that the Department's internal monitoring shows that standards were not met in 45% of Universal Credit case managers' work, a higher proportion than for nearly all the other benefits. How quickly do you think that can be improved?



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Peter Schofield: It is already being improved. One of the biggest areas of improvement in the last numbers was in official error. JP can probably remember the number that it went down by, but official error reduced in Universal Credit—

John Paul Marks: It is down to 0.4%.

Peter Schofield: Down to 0.4%. I think it was about 1.3% in 2018-19. We are making progress on that.

Chair: Sorry, it went from 1.4%?

Peter Schofield: 1.3% to 0.4%.

John Paul Marks: Chair, just to build on Peter's point, I think through the breakdown and understanding of that total 9.4% compared with the 6.4%, we can see the gap, capital earnings, living together, that these are some of the areas to target, but on conditions of entitlement, you are quite right. Initially through UC rollout—new products, six benefits and credits into one—conditions of entitlement error, which was official error, was too high. Now it is right down. That has been a very specific focus on capability and compliance for case managers every time and also improvement in processes.

A bit like the conversation just then on capital, some more data from banks would be fabulous. You could imagine a sort of real-time information type system, which every time you declare you do not have capital we could see whether or not you did. That does not exist today like it does for earnings. That capital fraud was previously not a risk in tax credits, because there was no limit. It is how we get that bit right. But on the areas where we are in control, we are focusing on driving the capability and the compliance and consistency to reduce the risk.

Peter Schofield: To clarify that, the error on conditions of entitlement is down to 0.4%. Overall, official error is down to 1.3% from 2.1%.

Q7 **Chair:** Are the amounts that people have in bank accounts already accessible to HMRC for tax purposes?

Peter Schofield: This is another scenario of interest. There may be information on income from savings that it has access to, so it is another area that we are looking at carefully. A lot of the future involves doing the basics right in the way that JP has described, but the key thing is data, data analytics and access to data. Where we have it—RTI data from the PAYE system, so earnings from employment—the error is massively down from where it has been in the past, down to 0.3% of the 9.4%.

Q8 **Chair:** The last question on this point is that the business case for Universal Credit rested on £1.3 billion a year steady savings in fraud and error. I think you have told us that you are showing £62 million savings in fraud and error at the moment. Are you going to achieve the £1.3 billion a year savings?



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Peter Schofield: I am confident about it, but I gave quite extensive evidence to the Public Accounts Committee last month on this and I described it as a bit of an arms race. Every time we clamp down on an area, there is always a risk of some other fraud route opening up somewhere else. It is a constant race here, but the innovation that we are making in use of data and analytics, particularly over the last six to 12 months, has been very significant, so I am pretty optimistic.

Q9 **Chair:** How long do you think it will take to get to that level of saving?

Peter Schofield: We would obviously have to have fully rolled-out Universal Credit to get there and be in a fully steady state. I have to say it will take a number of years to get there.

Q10 **Chair:** Do you think you will get it by the point that you have fully rolled out Universal Credit?

Peter Schofield: Fully rolled out and then let's see where we are at that point.

Q11 **Chair:** All right. A final question from me before I call in one of my colleagues. In April, you forecast an extra £23 billion on benefit spending this year compared with last. What is the current forecast of that? What impact on benefit spending do you expect from local lockdowns? I appreciate it is very difficult to predict what is going to happen there, but are you able to make any forecasts of the impact of local lockdowns on benefit spending?

Peter Schofield: The way we do our forecast is to start with the OBR economic forecast, which is normally updated twice a year and we work back from that. That is the best way to do this. Obviously, different parts of the country are seeing different trends and it is so difficult to be able to predict, as I think you implied with your question, Chair. But we will be updating our forecast for benefit spending as part of every fiscal event where there is an economic forecast from the OBR.

Q12 **Chair:** You haven't yet updated the £23 billion figure?

Peter Schofield: No. There was a further forecast in July, I think. Nick Joicey might want to come in on this, but I cannot remember when the last OBR forecast was. There was something that was around the time of the Chancellor's statement on 8 July.

Q13 **Chair:** Mr Joicey, can you comment on that?

Nick Joicey: Yes, Chair. At the moment, we are basing our forecast on the OBR updated forecast that it published in April, which underpinned the additional £23 billion that was included in our main estimate in April. Of that, £15.7 billion was linked to the impact of Covid on welfare. That is the best basis that we have to work on at the moment. As Peter said, the OBR published its fiscal sustainability report in July, and that clearly included its estimates or scenarios at that point for the ways in which the pandemic and the impact on the economy might pan out. As Peter said,



we are and will be working with the OBR for its next forecast update, which would normally be part of the next fiscal event. At the moment, we are working on the basis of that April reference scenario that the OBR published.

John Paul Marks: I will add one point on the local lockdowns. We monitor our new claims flows every week across different parts of the country and to date we have not seen that second surge either coming through in particular parts of the country or overall. We have only just gone into the three-tier system, but we monitor it each week. So far, for example, the team in Merseyside is not reporting any change in its new claims to Universal Credit, but it has only been a week.

Chair: Interesting, thank you very much.

Q14 **Selaine Saxby:** Good morning, everyone. This has already been touched on, but I was wondering whether there are a few more specifics. The NAO, and also the previous Work and Pensions Committee, made recommendations about having specific targets for each benefit to assess the level of fraud and error. Are there any plans in place or steps that you have taken to put those sort of targets in place?

Peter Schofield: Yes, we did have a plan—as I mentioned to the Public Accounts Committee last month—to have a target for overall levels of fraud and error in the year that we are in. We planned to put that in place for this year, but—

Q15 **Chair:** Is that a target for each benefit?

Peter Schofield: No, for the overall—

Chair: I think Selaine's question was about setting targets for each benefit, wasn't it?

Peter Schofield: All I would say on targets for benefits right now is that I want to get to a point where we are in steady state and we know where we stand overall with fraud and error. There has been a lot of change, a lot of pressure on the system—and I am sure you may want to come on to that—through Covid with some of the easements that we put in place and the scale of the claims that we have been managing. It is quite difficult to set a baseline upon which to set a target, but this is something we are working closely on with the National Audit Office.

Q16 **Selaine Saxby:** I am going to come on to easements, but when you have policy or operational changes within the DWP, do you have a specific process or how do you assess the impact of those on fraud and error?

Peter Schofield: Yes. You can imagine that making changes like this, particularly changes in some of the easements, requires a process across Government as well as for me as accounting officer. We go through a process to understand the implications of all of that and we work it through. We work out a strategy for addressing some of the risks that we



might be taking on. To give you an example of that, through Covid we were no longer able to do initial evidence interviews as part of the initial process of application for Universal Credit because those happen face to face in Jobcentres and we were no longer doing face-to-face contact in Jobcentres. We no longer had that control, so we put in place other controls to address that.

The way I have been particularly monitoring this is by looking at the referrals made by members of staff back to our enhanced checking service, our 600 experts who work together to look at those cases where the claim looks suspicious. I have been monitoring the way in which those claims as a proportion of benefits have been increasing and then falling away as we put mitigations in place. I do not want to go into huge amounts of detail on it, but we did a number of things in the case of ID verification. We put in more capacity, working with the Government Digital Service, on the Verify system to enable us to get back to 25% of people being able to verify their identity online.

We then introduced something called Confirm Your Identity to add on to that. That is our own system that builds our ability to manage people online to verify their identity—up to 40% of claims. We were doing 40% of a very high number of claims through that period and then backed up by enhanced processes to enable us to pick up the remaining 60% through conversations over the phone, using enhanced biographical questions. As an example of an easement that was kind of forced upon us because of circumstance, where we did that we looked at what mitigations we could put in place.

As we put the mitigations in place, we monitored what was happening to the number of referrals by members of staff to the enhanced checking service and we watched that go down. That is one of the ways that, as accounting officer, I have been monitoring the impact of easements and the impact of mitigation of easements as we have addressed some of the risks that we have been forced to take on, but also as we put in place measures to address them.

Q17 **Selaine Saxby:** Are you able to quantify how much extra fraud and error you are expecting as a result of easement changes that you have put in place through the pandemic?

Peter Schofield: It is really difficult to say, in part because the mitigations are in play and being addressed, and in part because we have repair action, as we call it, to go back on those claims where we think there might be risk and to go and claw the money back. Even where people might get through the door, we are going to go and get the money back that way. We have plans to pull that back. To give you an example, the levels of suspicious claims rose quite quickly and peaked on 15 May at 13% of claims that we thought were suspicious. Then over a period of time we put mitigations back in and they fell to 7% in June and they are currently around 3%.



Q18 **Chair:** What were they before the pandemic?

Peter Schofield: We only put the enhanced checking service in at the beginning of April, but I think in total, of the 3 million claims that we saw through the period from the end of March through to the summer, something like 188,000 ended up being referred to the enhanced checking service. Of those, as we went through them, something just under three-quarters seemed to have something wrong with them, so you can sort of work back on that. That gives you a guide to the sort of percentage. Obviously, it is not the entirety of the claim that is false, but that gives you some idea of the sort of scale that we are talking about.

I talked earlier about some of our data analytics. We have done quite a lot of work around some of the most risky customer journeys and the most risky types of cohort of applications. We have categorised 12 customer journeys and seven different cohorts of claims, so it gives you a grid of 84 different types of customer journey. We are risk-weighting each of those to enable us to prioritise our repair work. We are sending people back in, looking at the most risky claims, categorised in the way I have described, to enable us to start getting money back where someone might have come through the door and we can then go and get the money back.

Q19 **Selaine Saxby:** As the easements are removed, do you have a plan to learn from the controls against fraud and error that were more effective or changes that can be made to the processes as they are reversed?

Peter Schofield: A really good question. Absolutely, and what we have found is the database tools can be incredibly effective. In some of the ways that we are working to, for example, verify children and verify housing costs, we use very effective connections to different Government databases. I will not go into more detail than that, but we think we can get to a position in which we can almost predict those claims that look most at risk even before, for example, an advance is made, using some of the tools that we have. There is real potential here and we are seeing early fruits. They are making a big difference already, but I am positive about the potential.

John Paul Marks: One thing I would add to that, going into Covid we were pretty dependent on our face-to-face channel as our main control. As the Permanent Secretary says, through the onset of the pandemic, we were able to re-establish those controls and although some customers are coming into the Jobcentre—and of course we verify them when we see them—it is quite a small proportion of the overall new claim volumes. I think that is our big learning here, that we need a front-end Universal Credit that is risked and organised to control the front door, and then all those additional controls, whether it be about children, housing, earnings, capital into payment, and most claims will go through a lot of checks before they are paid. We have put a lot more of those in, much more sophisticated checks now than there were pre-Covid.



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Q20 Chair: Can I take you back to Selaine's question about setting a target by benefit on fraud and error? The NAO has suggested that; I think this Committee previously suggested it would be a good idea. I take your point that you want to wait until you are in some kind of steady state, but in principle do you think setting a target by benefit for fraud and error would be a good thing to do?

Peter Schofield: I am not averse to it. The reason why there is some advantage in it is it potentially links back to the approach that I have described of how we are driving down fraud and error in the system, which is looking across the different causes of loss benefit by benefit and developing strategies in each case. But the reason I am slightly hesitant is because in some cases the approach will not be to drive it down by benefit; it might be to drive it down by cause of loss. For example, the best one is of course the loss because people have misstated their earnings. Where I have a tool, which is RTI, the link to HMRC, I can apply that to Universal Credit, but through a system called Verify Earnings and Pensions I can also take the same data and apply it across to other benefits.

All I am saying to the Committee is that I do not necessarily look at this as a grid where you are looking benefit by benefit down one axis and you are looking across at cause of loss by cause of loss. My strategy may well be to target a whole cause of loss. We have talked about capital, for example. If I could develop a decent strategy on capital, I might want to target what I can do on capital as a whole rather than thinking about different benefits on that front.

I am slightly keeping my options open. I can assure the Committee that we are working very closely with the National Audit Office on this. I definitely want to have a target overall, because I think as a public service we need to demonstrate transparency in our intentions on addressing fraud and error across the piece.

Q21 Chair: When do you think you might set the overall target?

Peter Schofield: As I say, I wanted to do it for the year we are in, but other things intervened. I think we will need to see where we have ended up with fraud and error in the year we are in. There is a lot still to go at this year, as I said in my answer to Ms Saxby earlier on. We will know that in May, although we are then into the next financial year. We will then see where that leaves us.

Q22 Chair: You might set a target for that financial year?

Peter Schofield: We will see, yes, but we will say much more about it in the annual report and accounts next year.

Q23 Sir Desmond Swayne: In the second half of 2019, the number of cases of fraudulent applications for advances collapsed from 15,000 to 2,000 cases. To what extent, in your estimate, was that a result of the introduction in September 2019 of face-to-face interviews for advances?



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Peter Schofield: That made a big difference, as you will know from the NAO's report on this subject. We then introduced further data checks in December and all of that made a difference. We got levels down very dramatically during the early part of this year, running up to March. We then saw fraudulent advance numbers go up because obviously, as I said earlier, we could no longer do the initial evidence interview, which was part of that check that you described in September. I am glad to say that a lot of things we have been doing since then have helped to identify those potential fraudulent advances early on.

We are now at a point where, as I said in my earlier answer, we can predict to a large extent from the way in which someone is applying whether it is likely to be a fraudulent advance. We are also able to disrupt those applications. The challenge with advances is the idea is to pay them as quickly as possible, according to the policy, so it does not give you a lot of time to be able to check that the information you have been given is correct. That is why the data analytics and the links that I have described are helping us to address that, so we have brought it right down.

Q24 **Sir Desmond Swayne:** If the disease disappeared next week, would you revert to face-to-face?

Peter Schofield: Sorry, I am slightly pausing because, first, it feels like a wonderful but unlikely scenario. Secondly, we will then open up the face-to-face route and the question is how do we use it. That is something for us to have further conversations about within the Department, because the face-to-face is also a brilliant way of helping people to look for work. The question is what we are doing with work coach time and with work coach face-to-face capacity, what we want to do with it, how we want to work it. If it happened next week there would be a question about how I use that precious time.

Assuming we are back into steady state, it may well be that we need to do far less of this than we did before. Some of the trials that we have done of our predictive analytics—and it is early days, so I would not want to bet my house on it just yet—suggest that they can predict 98% of advance fraud before we have made payment. We have not yet been in a position to plug that completely into the system, but that shows you the power of data analytics in this space and whether we need the face-to-face interaction on top of that. I am sure we would do to some extent but not in the same way.

Q25 **Sir Desmond Swayne:** Of the £221 million of fraudulent claims for advances that were clocked up by December 2019, how much will we get back?

Peter Schofield: We pursue people for as long as we can pursue them. Eventually most people receive the state pension and we can claw the money back from the state pension all the way through. I was just reminding myself before coming to the Committee about write-offs for



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fraud in our annual report and accounts for 2019-20, which were only about £6.7 million, if I remember rightly. It will take time and we have—

John Paul Marks: It is automated, of course, so if a customer wants to be in receipt of Universal Credit, the advance debt is deducted as a priority. It would then only be the pursuit of the fraudulent advances where they are not in receipt.

Peter Schofield: Where they are not in receipt of benefits. But as I say, ultimately most people are in receipt of a DWP benefit eventually.

Q26 **Sir Desmond Swayne:** Of the total book of advances, what sort of write-off ultimately do you work on the basis of?

Peter Schofield: As I say, in the year just gone we wrote off in total £6.7 million due to fraud.

Q27 **Sir Desmond Swayne:** What is that as a percentage?

Peter Schofield: Of our total spend of £200 million?

Sir Desmond Swayne: No, of advances.

Peter Schofield: Sorry, that is not really advances, that is all benefit spend. I suppose you would say out of total fraud and error that was £4.6 billion.

Q28 **Sir Desmond Swayne:** Will there be regular reporting of fraud specific to advances?

Peter Schofield: We regularly update the National Audit Office on that and I suspect that the Committee will be interested in this topic going forward.

Q29 **Shaun Bailey:** I have a few questions about debt recovery. Obviously during the pandemic DWP mostly stopped recovering debts from claimants by the usual process of reducing benefit payments. We are aware that from September you have restarted the process. I am keen to understand how you have decided whether claimants can afford to repay their debts. As this is a phased process as well, from my understanding, how are you distinguishing between those that are now required to repay their debts and those with payments that are still suspended?

Peter Schofield: You are right that we did suspend the non-automatic deductions as part of our easement process from March or April onwards. You are right that we have restarted. We have done that in a phased way, with tax credit debt being the last thing that we bring back in.

Our debt management agents are skilled at addressing hardship and we have a regular process of enabling people to phone up and say that they are in hardship and can they have some reduction in their deductions. Those conversations happen in quite a significant number. JP may be able to say more about the numbers, but quite a significant number of people



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are receiving some easement in their debt recovery position. All of that goes on.

The other thing that we are doing a lot of work on is introducing an online Repay My Debt system that enables people to have that interaction with us online, which is a major step forward as well. That helps even before we have been able to put people back into the service lines. JP, do you want to say a bit more about the process for hardship?

John Paul Marks: As the Permanent Secretary has said, as part of our response to Covid we suspended the manual debt collection. That was automated and carried on. We think that was the right thing to do because it ultimately left more money in claimants' pockets, but it also enabled us to redeploy our teams from debt management to support new claims to benefit to ensure we safeguarded access to entitlements. We restarted on 6 July. We have the process the Permanent Secretary references where customers can contact us, as we restart the process, if they are at risk of hardship or struggle with affordability. It is around 10% of the total existing debtors who access that at any one time.

On the question of phased reintroduction, we are quite rightly trying to do this in a careful and controlled way, for example starting with overpayments resulting from fraudulent activity being prioritised and housing benefit overpayment referrals restarting end of September and then, as the Permanent Secretary said, tax credits being the last element of that. Our intent is to get back to our debt management supply and demand and the flow of the debt collection next year as the resources return into that directorate and we are also able to hopefully recruit more.

Q30 **Shaun Bailey:** On that timeline, is there any definitive stop date for that phased-out approach to come to an end? I know you have said next year, but when would that be next year? Is there any sort of definitive timeline the Department has chosen?

Peter Schofield: JP may want to come in on this, but I think the point we are reflecting on is how quickly we can redeploy staff back into the service lines. The need to return to the same number of staff is mitigated by the progress we have made over the last six months on automation. Repay My Debt and the rollout of that platform is a crucial element to reducing the need for people to run those service lines, but it depends on what else happens. In the current world, we are ready with a business continuity plan as well, if necessary, to change again. We are trying to be flexible and move in a way that responds to the continuing changing situation that we are in.

I think JP's answer gives you a flavour of the way we are approaching it, the ordering that we are doing here. You start with the fraudulent ones that we get back. Tax credits is at the end of that list and we are doing that as quickly as we can, subject to other pressures on our workload.



Q31 **Shaun Bailey:** More widely, the Institute for Government pointed out that one in five claimants are currently paying off debt. As part of this wider process, I am sure that has triggered quite a few questions within the Department going forward. What work is the Department doing around perhaps bringing that number down? It sounds as if obviously the debt recovery process takes up a fair chunk of time for the Department, so is there any sort of dovetailed work going on there looking at the level of claimants that are currently repaying debt? I appreciate notwithstanding the fraudulent claimants, but from an overpayment point of view what work is being done there to bring that level down?

John Paul Marks: I can give a good example from Personal Independence Payments. Our main challenge around Personal Independence Payment MVFE is underreported changes in health condition. This goes back to the Permanent Secretary's point on how we continue to build systems and services where it is easier to report a change. Taking capital as an example, if you have suddenly received more capital, we want it to be very easy for us to either be aware or for you to let us know so there isn't a debt accruing. The same occurs in Personal Independence Payment where we want to build a much more flexible service, the same with Universal Credit, where people have an online account with a named work coach and case manager and every time something has changed they are notified via a text or an e-mail to let them know they need to do something. It is their responsibility to keep their account up to date.

This year, as part of our response to Covid, we have had to stand up our response on Personal Independence Payment, gone online with that service and we will iterate that further, based on user need and user feedback in that agile way. Whereas last year our Personal Independence Payment process was mainly paper-based and face to face, now it is mainly telephony and digital. We want to be able to find ways to connect more with GPs, the health service and with our customers, "If a health condition changes, let us know so you do not accrue an overpayment or an underpayment because you are entitled to more benefit now and we should assess your claim again". It is things like trying to improve both data and insight, but also the responsiveness of our services multi-channel so claimants know how to be in touch with us quickly if their circumstances change.

Q32 **Shaun Bailey:** That is great. One final question. It might be a bit of an obvious one, but I do not necessarily think we have touched on it. What has been the impact on the Department of the suspensions more widely? I know you touched on it at the beginning about standing up staff, trying to be as agile as you can, having to review operationally your structures and your processes. On a practical level, what has that impact been? In other words, has that set you back 12 months from where you had wanted to be operationally? What has the impact been on you as you are trying to lead the Department through its next stages?



Peter Schofield: JP may want to come in on the operational impact. The NAO's overview report on the Department from the annual report and accounts, which was published the other day, shows the numbers of staff who were redeployed as part of the response to Covid. The reason we did this is twofold. One is that it provided easements for individuals, but also it freed up staff who could then be used to pay claims. It gave us that boost of people who could be working, particularly on Universal Credit claims, through the period April and May before the staff came back in.

On the debt balances, it has meant that we have a stockpile of outstanding debt recovery to put into payment. I think that is at the heart of your previous question on what we are doing on that and how we are progressing that. It has set us back. It may have a cash-flow effect on debt recovery in the current year inevitably, but I go back to my answer to Sir Desmond Swayne earlier. We will get the money back because ultimately we can deduct from benefits and salary and we can get it from even the state pension if we get to that point.

John Paul Marks: I completely agree that our main challenge on fraud, error and debt is that cash-flow point. We will restart it all and ultimately do everything we can to collect it, but things like investigations under caution, interviews under caution with regard to the fraud, which is mainly a face-to-face activity, are restarting in a very careful way, similarly with our National Insurance number process for face-to-face. The thing I reflect on, going back to the pandemic starting and where we are, I am genuinely very proud of the way the front-line teams responded in what was a very unprecedented shock in closing down our face-to-face channels, having a lot of people suddenly unable to come into the office because of 2-metre social distancing and then a massive surge in demand.

We have managed to turn off quite a lot of demand to mean that we do not go into the winter with significant backlogs. We went online with the Employment and Support Allowance in April and now the vast majority of our claims are taken online. We are processing it within six days and we do not have backlogs there at all. In fact, our changes of processes are going very well. We did, of course, suspend reassessments of the ESA caseload, so we said to customers in payment, "We will leave you in payment and we will not reassess you as to whether or not you are fit for work" and extended awards.

We did exactly the same thing in Personal Independence Payments, so where an award was coming to its end date, we have deferred that demand. We did not churn benefits like that. Similarly, we left claimants on DLA who would have gone through a full PIP rollout assessment. As much as we could, we have gone online, been multi-channel and either suppressed demand or deferred it. By putting things like child maintenance online and then accelerating that, now over 80% of our child maintenance new claims are online as well.



I think it is debt, investigations and NINos where there is that deferred demand that will come. We know with the winter ahead we are cautious about the risks still, hence Peter's point that we cannot put a perfect date yet on when all debt will have restarted. To be honest, everything changed last week with the three-tier risk system and I suspect there will be more uncertainty ahead.

Peter Schofield: JP paid tribute to our staff and I do as well, absolutely. Page 17 of the NAO's overview report shows the scale of redeployment that went on really quite quickly, and the ability of our people to change what they were doing and pick up something completely different and work flexibly and effectively was remarkable. I pay tribute to every one of those people who was asked to do something different and responded amazingly to deliver the service that was so desperately needed.

Q33 **Steve McCabe:** Good morning. I would like to ask you a couple of questions about the Kickstart Scheme and the Job Entry Targeted Scheme. In Kickstart, the Government said that they would create hundreds of thousands of high-quality work placements. What is your target? How many placements are you planning to create and over what period?

Peter Schofield: The Chancellor, wonderfully and in a challenging way, did not put an upper limit on the money available for us, although I think £2.1 billion was initially put in place, which implies well over 200,000 placements. We got this programme up and running very quickly. It was announced on 8 July and we have had a lot of interest. It is going very effectively. There is a lot to be done. The first referrals have already been made, but there is a lot of work to go through in assessing bids that come in, referring individuals to Jobcentre work coaches, referring young people into those opportunities, interviewing them and getting them up and running and started. There is a lot to do. The applications have to be in by December of next year, I think, so there is time to do all of this. We have been set a challenge by the Chancellor and by the Government and we are determined to deliver.

Q34 **Steve McCabe:** About 200,000 placements, based on the money. What sort of period of time do you think we are talking about? Is that over five years, two years? What sort of timescale?

Peter Schofield: Nick may want to add to this, but I think the financial envelope starts this year and flows into the whole of the next financial year and into the year after. If you think that the starts have to be by December of next year, then six months, that takes you into the financial year 2022-23. It is that sort of period.

Q35 **Steve McCabe:** Can I ask about data collection? One of the criticisms—I am sure you will be aware—of the Youth Obligation in Universal Credit was that the Department did not collect even the most basic data; it did not know how many people were on the scheme at one stage. What are your plans to collect data for the Kickstart Scheme?



Peter Schofield: It is important for me, as accounting officer, to get approval from the Treasury and all the rest of it to be able to collect the data to enable us to do effective evaluation as part of this. We have this for all of our schemes, but to take Kickstart, for example, we are developing an evaluation plan to enable us to assess how it has gone and how effective it has been, particularly at the end of the scheme, but maybe as we go along as well.

The nature of the evaluation has been a bit like the evaluation that was done for the Future Jobs Fund. It is to try to take a sample of the cohorts who have been through the scheme and compare outcomes for them in their progress into employment, then to compare that with an equivalent a cohort as we can find of people who have not been through the scheme. We are looking at whether that is a cohort of people in the right age group but who decided not to take up the scheme, or a slightly older group who were not entitled to the scheme at the time, but then to compare outcomes so we can do an effective evaluation. Absolutely, it is to see how they progressed. This is all about giving people an opportunity to develop skills and enable them to be successful in the job market going forward.

Q36 **Steve McCabe:** The kind of evaluation you describe would be very helpful with the concerns about making sure the right people go on the scheme, but I was a bit more interested in numbers. I notice, for example, that the National Deaf Children's Society and a number of other charities were saying that you should produce hard numbers on the number of, for example, disabled people who go through the scheme and that you should make that publicly available so that we can all look at your progress and check it. Do you have plans to do that?

Peter Schofield: I am not sure about publication, but we will certainly be collecting details about all the people who are going on to Kickstart and evaluating that. JP may want to say a bit more about this, but it isn't just about dealing with the risk of youth unemployment. It is also the opportunity to help people with disabilities access the labour market and not miss out. All of the focus that the Department has been putting on this massively important agenda over the last few years applies going forward. This is something we would absolutely be wanting to look at doing and making sure that Kickstart works for all people, including people with disabilities.

Q37 **Steve McCabe:** You said there, "I am not sure about publication". Why would you want to keep that kind of information secret or contained?

Peter Schofield: You will see from the annual report and accounts just how much we publish and set out. I am sure we will publish the evaluation of all the schemes when they are done.

Q38 **Steve McCabe:** Can I ask about the Job Entry Targeted Scheme? I think that is going to prioritise people who have been unemployed for over three months. If the projections of where we are going are true, there is



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going to be an awful lot of people in that category. How are you going to select or identify people for that particular scheme?

Peter Schofield: JP may want to come in on that. It is part of a package of measures. The job finder scheme is for people who have been unemployed for less than three months, so we have different schemes for different people. I have been delighted at the speed at which JETS has got up and running. We have reflected on some of the recommendations from the NAO on previous schemes. This one is based on the Work and Health Programme. We had the contracts in place so we could move it up and running quickly. JP, do you want to say a little bit about how the referral of folk on to JETS is done?

John Paul Marks: I was sat with a team in Poplar Jobcentre last week talking about this. Every customer who gets to that three-month stage who is in our work search group would have that entitlement. The Job Entry Targeted Scheme has been very popular. It has only been live two weeks. In fact, Central London Forward just went live this week and already we can see each day we are exceeding the number of referrals. As you say, Mr McCabe, we know the demand is there. We have seen the UC caseload double and JETS is very popular. It is around £250 million and will support over 250,000 people, but it is only one element of a huge Plan for Jobs that is multi-billion pounds-invested.

It starts with doubling the number of work coaches, so everybody who is on our caseload finding work has a personal work coach. I am sure Debbie will talk more about the effort we are going to to bring them in as quickly as we can. In the first three months there is the job-finding support, which we already have live through the Flexible Support Fund across the country; then there is the national contract coming in the New Year, sector work academies; then you go through into JETS at the three to six-month stage; then Kickstart, which is another £2 billion programme, as the Permanent Secretary set out; and then longer-term unemployment on top of the Work and Health Programme that we are working on with the Treasury. There is a lot more as well, as we know, around New Enterprise Allowance and the Flexible Support Fund and so on.

We are trying to stitch it together, based on all the evidence from the Future Jobs Fund, from sector work academies, listening to partners to ensure that everybody who is looking for work can access a positive opportunity to do more training, get to a work coach, get support and to ultimately access vacancies as they grow and the economy recovers.

Peter Schofield: I will emphasise this, because pages 21 and 22 of the NAO overview report—it is slightly challenging for us, in that there were lessons to be learned from previous employment schemes and how we have gone about them. I want to emphasise that we have absolutely reflected on each of those as we have put these schemes together so that we have been able to hit the ground running and do the evaluation in the way that I have described.



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- Q39 **Steve McCabe:** As JP said, JETS is part of a bigger jobs initiative. Given that you have just referred to—was it the National Audit Office report?
- Peter Schofield:** Yes, its overview on the Department.
- Steve McCabe:** Can you tell me were business cases produced for each of these employment initiatives? Are they available?
- Peter Schofield:** We do produce them.
- Steve McCabe:** Is there a business case made?
- Peter Schofield:** We do produce them. It is part of our approval process with the Treasury.
- Q40 **Steve McCabe:** Could the Committee have access to them?
- Peter Schofield:** I do not think we normally publish them. The NAO will obviously have access to them and I can assure the Committee that this is the process that we go through. We need to do that to have the money released by the Treasury.
- Steve McCabe:** I am only pursuing this with you because obviously this is the big test. This is a major initiative designed to head off the prospect of 1980s-style grim unemployment and it is very important that it is going to deliver. Finally, I think you call it in the Department the senior responsible owner. Who is the senior responsible owner for Kickstart and JETS?
- Peter Schofield:** They all come under the overall supervision of one of my fellow members of the executive team, DG Jonathan Mills. For Kickstart itself we have a director who is the SRO and a director who is a programme director itself, but Jonathan Mills is the responsible director general for the delivery of the Plan for Jobs.
- Q41 **Chair:** I think you have confirmed this, but I just want to make sure of it. Are you collecting data on whether or not participants in Kickstart have a disability?
- Peter Schofield:** To be honest, I don't know. We are collecting a lot of information about individuals.
- Q42 **Chair:** Can you come back to us on whether specifically that is being picked up? I think to do the evaluation you were describing, if it works for disabled people, that is data that you need.
- Peter Schofield:** Yes. Let's remember these are all people who have been on Universal Credit who have been referred through the Jobcentre. We collect information about any needs that they have as part of their application for Universal Credit, so we will have it.
- Q43 **Chair:** You have talked previously about the difficulties of compiling that information, so I would be interested to know what is happening.
- You said you will do an evaluation rather like the one for the Future Jobs



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Fund. If I remember rightly, that was carried out externally. Are you planning to commission an external evaluation for Kickstart?

Peter Schofield: I am not sure whether we will do that in-house or bring in some external support. We will make that decision as we go along. We bid for money as well to do an overall external evaluation for the whole Plan for Jobs, for how it all fits together. I think one of the things the Committee will be quite interested in is not just the individual elements, but going back to what JP was saying about the different schemes, how they dovetail together and any one individual might follow a path. We will see where we come out in the spending review on that but we would be keen to do that if we have the funding available.

Q44 **Chair:** But you will certainly publish the Kickstart evaluation?

Peter Schofield: I am sure we will, yes.

Chair: Smashing, thank you very much.

Q45 **Neil Coyle:** I have a quick supplementary linked to that question. The Secretary of State told us specifically in the Committee that Access to Work would be available for young disabled people seeking to benefit from the Kickstart Scheme. You are not being very reassuring on the data and identifying disabled people, so talk me through: how will an individual work coach link a young disabled person to Access to Work in order that they can access Kickstart to begin with?

Peter Schofield: JP may want to talk a bit more about the detail, but they are done in different ways, aren't they? The referral to Kickstart is by the work coach and the Access to Work application comes from the employer, but supported by DWP. I think the answer that the Secretary of State was giving in the Committee was about whether the two are compatible, they go together or not. You can absolutely have someone who has a disability and the employer would be providing the normal reasonable adjustments, but for anything that goes beyond that the employer would be able to access Access to Work at around £60,000 a year for each placement. Is there anything more to add to that on the customer journey?

John Paul Marks: As you say, we picked it up in the Committee a couple of weeks ago and confirmed that anyone who is entitled to Access to Work or needing Access to Work as part of their Kickstart placement can access it. It is demand-led, so there is no limit on the funding that is available in there and we have increased the cap. On the journey, the work coaches will be working with their caseload to understand the young people who are longer-term unemployed on benefit who have not been successful through things like SWAPs and JETS and job-finding support.

Then if they need an adjustment or a support worker, special aids, equipment to work from home, all of those things, we would use the Flexible Support Fund or encourage the young person to make a claim to Access to Work. That team sits in my directorate, so Jobcentre Plus is



absolutely linked to Access to Work and would encourage anybody to make that claim. Last year we spent more on Access to Work than ever before.

Q46 Neil Coyle: You mentioned that the onus is on the employer and now you say part of the departmental aim is to support people through that. Disabled people are twice as likely to live in poverty and half of working-age disabled people are not in work. If that is to be tackled and if Kickstart is to benefit disabled people, it does need to be work coaches and the Department who lead on this, not leaving employers to access a scheme they have never heard of.

Peter Schofield: On one level, that is a very fair challenge and I absolutely accept that we need to do more to make this work. I definitely want to see our work coaches playing a role in bringing the package together. I think it is a fair challenge.

Q47 Neil Coyle: Linked to work coaches, in Bermondsey and Old Southwark, 24,000 people have benefited from the furlough scheme. I think the latest figure was 9.6 million across the UK, but that scheme ends very soon. Are you ready for the scale of the challenge ahead?

Peter Schofield: Of course we do not know what the implications are going to be and we are ready for whatever the challenge is.

Q48 Neil Coyle: Are you not talking to employers?

Peter Schofield: We talk to employers every day all around the country, absolutely. I think I am taking your question to be more a wider challenge about our national response to whatever happens, because we work nationally as well as locally. No, we are. We obviously responded to huge pressure through March, April and May. We did that without seeing payment timeliness for Universal Credit fall significantly. As the annual report and accounts and the overview from the NAO sets out, it was kept at around 89% or more through that process. Since then we have done a lot to build resilience in our systems to enable us to manage even more effectively.

To give you two examples, to be honest, back in March we were not well set up to support significant numbers of our folk working from home. When we were in a situation in which large numbers of our people could not come into the office for whatever reason, we had very significant levels of absence. Now we have thousands of pieces of digital kit out to people's homes or mobile devices, which enable them to work from home. That challenge of carrying very significant absences during a time of massive pressure on demand through our system has now been mitigated. As an organisation, with blended working, we are completely different from where we were before. That is one aspect.

I will just finish your question, Mr Coyle. The second aspect is the very significant recruitment that has been going on. Debbie can say a bit more, but we are recruiting, we are doubling the number of work



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coaches. By the end of October, beginning of November, we will have brought in the first 4,500 of those. I am very confident because of capacity—

Q49 **Neil Coyle:** Sorry, Peter. In answering my question about the future demand, you are talking about stuff that you did over the summer. What is your expectation for numbers seeking support from Jobcentres from November?

Peter Schofield: It is hard to know because the Chancellor has put a series of further support measures in place and—

Neil Coyle: You must have estimates.

Peter Schofield: It goes back to the answer that we gave you about our estimates of demand through the system. We look at the OBR's forecast, so we look at the overall demand pressure, although at the moment we are not seeing any pick-up in demand to Universal Credit, even though the forecast back in April, June might have suggested that would come. We have not seen that yet. As I said in answer to your previous question, Mr Coyle, we are talking to employers up and down the country, understanding their plans and what they are doing. As part of the Plan for Jobs, there was more money for the Flexible Support Fund, which has enabled us to build up our rapid response team, who can respond quickly to situations that come along. We are ready to go with whatever comes with pressure on the benefits claim system.

Q50 **Neil Coyle:** In previous sessions there was discussion about opening further Jobcentres to cope with demand. Are they open yet? When are they opening?

Peter Schofield: I will bring Debbie in to say a bit about the process of work coach recruitment, if you like. To finish, as I say, there are 4,500 work coaches coming in now and we have been able to find space for them in our existing estate. The remaining recruitment is a further 9,000 to take us up to 13,500. Some of that will need new space and some will be in our existing estate. I will stop. Let me bring Debbie in.

Debbie Alder: Thank you very much indeed. To put a bit of context into the scale of resourcing, we are meeting the challenge of that at the moment. Normally in an average year—and Committee members have the NAO report—we have been recruiting potentially 4,000 people, 5,000 maybe a year. In the first wave of our response, we brought in 7,000 more resource, a combination of 1,000 people from other Government Departments, 4,100 new recruits, 3,000 from Capita and Serco, on top of colleagues that we trained and redeployed from other lines, which I know members of the Committee have already asked questions about.

On top of that 7,000, we are now well on track for the work coach recruitment that Peter has mentioned, the 4,500 starts of new work coaches for the beginning of November. In some of the weeks of recruitment we are seeing 1,000 starts a week versus a business



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continuity plan that we had on the shelf last year of 1,000 starts per month. The work right across the board of people on estates, line managers, innovation in training and learning, innovation in recruitment has been accelerated and phenomenal. I want to put that in its context.

We do have an unprecedented challenge in the space that we will use, don't we? I have worked in HR for 30 years but I have never had a challenge quite where you are trying to double the size of Jobcentres and yet you can only use half of the space available safely. The combination of deployed kit to work coaches is a priority. We have committed that all work coaches will have the kit to work remotely as well as from Jobcentres by Christmas. We are well on with that. As Peter said, over 20,000—

Q51 **Neil Coyle:** Sorry, Chair, I think we are really short of time. Could we just have the numbers of work coaches who have been taken on? It is very worrying that for a surge that could come in November you are talking about people not being ready even with the kit to work from home until December or the end of December. How many are ready and trained for 1 November?

Debbie Alder: We are absolutely on track to be on our 4,500 target, so we will meet that—

Q52 **Neil Coyle:** Fully trained?

Debbie Alder: Yes.

Q53 **Neil Coyle:** Ready to go, not waiting for kit at home?

Debbie Alder: I think you are potentially conflating two things. We will have met our 4,500 target of new starts. Some of them will still be in training, many of them will have completed training. The new starts will come into the workplaces that we have. We have enough space for the 4,500 starts in our estate in a safe location. The starts that we will have for the next waves of recruitment of work coaches require further estate and we are doing that through two things: further provision of kit to swap out at home and the provision of repurposed estate and new estate. We have multiple sites that we are repurposing. Two of those come online in November. We are right through the commercial process for new estate. Most of that is commercially sensitive information, I am afraid, but we have a very clear programme and plan of new estate coming online and our working kind of space—

Q54 **Neil Coyle:** Brilliant. It would be great if we could have that in writing. You said "commercially sensitive". I just want to know where people will turn up if they are required to have an interview or get ready for work, where their Jobcentre will be. I do not think that is commercially sensitive. You can say which borough or which town you plan to open them in. If we could have those figures in writing about the number of work coaches that are in place and the number that are trained and ready to go it would be really helpful.



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The next question is: can you tell us what the ideal number of claimants per work coach is, how many they are supposed to be managing and what they are currently running at, please?

Peter Schofield: An operational question. Why don't I hand it to you, JP?

John Paul Marks: You asked me this question two weeks ago, so I got the latest data yesterday. There is a bit of variation across the country. This is actual caseloads per work coach, given the intensive regime they work with. For example, in Scotland, the lowest, it is at about 150, whereas in the south of England it is up to around 200. That is the number of customers a work coach is being asked by us to work with to help them into work. That is why we have put things like job-finding support in there. Where there is a customer with lots of skills and they are ready, they have a CV and they do not have too many barriers, the work coach can refer them to that support and it does not take up a lot more time for them. Similarly, we talked about customers who might have more complex barriers and they would spend more time with them.

That is higher than what we would want in steady state, in business as usual. If you look at where we were going into Covid, in the data for February, the average was 125 per work coach. It is now 180. That is why we are doubling the number of work coaches, so hopefully by March, subject to unemployment, the average caseload will be back to that 120-odd customers per work coach in the intensive regime.

By putting much more provision in place and much more intensive support, as much as we can, we will get them in the hands of the job-finding partners, three months into JETS to give that extra capacity to help, and 4,500 work coaches this month, as Debbie says, has been a huge undertaking. For November, that average caseload will come down, subject of course, as you say, to the new claims that may come in.

Q55 **Neil Coyle:** It would helpful—not here, again in writing—if you could explain why there is a difference between the NAO figures and what you call the intensive regime figures. Just put that in writing, please, if you can.

You mentioned the numbers coming down, depending on unemployment levels. What is the forecast? What is the estimate for the next few months for workload per work coach?

John Paul Marks: It is very difficult, as Peter said, to give you a precise number on that, because the demand will go up a bit, but at the same time so does the supply. For example, Jobcentres around Bermondsey, in London Bridge are bringing in more work coaches all the time, I think, and in Kennington Park they have another 30 starting this month. It is a significant increase in the capacity, but also the demand is going up. Then again, in August, about 250,000 people on Universal Credit found new earnings and moved into work. Our regime is working in moving people into work, but of course there are new unemployed people as well.



It is not possible to be perfectly precise around how these numbers will change. I agree with you, I suspect that in November/December we may see average caseload per work coach go up a bit and then come down as the rest of the work coaches start in quarter 4.

Q56 Neil Coyle: I am glad you mentioned London Bridge; obviously, there is a genuinely excellent team at London Bridge. But your expectation for January is that there will be a drop. What plans are you making for changes to the labour market that result from Brexit and potentially a no-deal Brexit?

Peter Schofield: You are into a question of predicting the economy and predicting the future on that.

Q57 Neil Coyle: You are operationally in charge of having to manage the benefits system and Jobcentres for a potential rise in unemployment.

Peter Schofield: Exactly, and I think we have given you a pretty good description about how we are doing that, both a combination of—

Q58 Neil Coyle: But you have told us that the numbers will come down in January.

Peter Schofield: The numbers will come down in January. As JP was saying, we will see a significant increase in the number of work coaches we are bringing into the business. Debbie has described the scale of the recruitment, which I think is unprecedented in DWP's history. We are doing everything we can to build capacity and resilience. We have talked about having many more people working from home compared with where we were even nine months ago, even six months ago. We are more resilient. I do not think you can criticise me too much for this; what is going to happen to the state of the economy in the future is very uncertain.

I think what you can ask me to do is to build a resilient organisation that is able to respond flexibly to whatever happens. You can expect me to build an organisation that is well connected to local economies through the conversations and contacts that colleagues—as you say, wonderful colleagues in London Bridge in your own constituency—all across the country have through their connections with local employers. That combination together gives me huge confidence, but at the end of the day it is down to the amazing professionalism of my colleagues all across DWP and the new people that we are bringing in. That is what will get us through.

Q59 Neil Coyle: Some employers around London Bridge cannot even open due to Covid, some are having to let people go from November because of the end of the furlough scheme and others are saying they will have to reduce their workforce if there is a no-deal Brexit. I am not hearing that there will be capacity to meet that demand in January.



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Peter Schofield: There will be capacity to meet that demand. We met the demand in March and April when the demand was huge. I am not sure what is funny about that. I mean, we met the demand in March and April, which was a huge demand when we had not done the investment in building our capacity and resilience that I have just described. It gives me confidence and I want to give your constituents confidence that should they need our support, we are there to support them and to provide them with the help to which they are entitled. We will be there for them.

Neil Coyle: I think saying you met demand when 200,000 people did not receive a benefit on time and for every £10 spent on Universal Credit more than £1 is in error—perhaps we have different measures of success, but I think that is the end of my questions for now, Chair.

Q60 **Chair:** You set the goal a while ago of getting a third of the new work coaches in place by the end of this month. From what you are telling me, you are pretty much going to achieve that. What is the next milestone for recruiting the rest of the 13,500?

Peter Schofield: To have doubled the number by the end of March, so that is 13,500 in total. It is a further 9,000, if my maths is correct, from November/December through to March.

Q61 **Chair:** Through to the end of March. I think I heard Ms Alder say that a couple of previously mothballed Jobcentres are going to be reopened. Are you able to tell us where those two are?

Peter Schofield: Debbie, I cannot remember if that is in the public domain yet, but—

Debbie Alder: Thanks, Peter. Nor can I say. Can we come back to the Committee on that?

Chair: Yes. We would certainly be interested to know where those are. Thank you very much.

Q62 **Chris Stephens:** Peter, the first question is in relation to young disabled people on the Kickstart Scheme and the access they can have to Access to Work to fund the adjustments that they will require. Can you tell me what the current average wait is from the application for Access to Work to a decision being made on their eligibility?

Peter Schofield: That is a question I do not have—I might play for time for JP to find that.

John Paul Marks: If you will allow me 15 seconds then I can tell you.

Peter Schofield: We might play for time for JP to find that.

John Paul Marks: It is 37 days.

Q63 **Chris Stephens:** It is 37 days. Is there any scope for fast tracking the assessments and the grants in relation to that? Obviously 37 days might



be too long for some people, so I am asking if the Department is looking at speeding that up.

John Paul Marks: I think that we are. We have talked quite a lot on the Committee about the things we have done to digitise our services this year—ESA, PIP, child maintenance, NINOs and debt. Access to Work is another product that is part of our digital programme. Ultimately there is scope to improve the journey and to make it more accessible online and easier to go straight through. Part of the challenge of the journey is that in-work assessment, which happens with the employer, is a bit like the health journey with functional assessments. It is a step in the journey that adds time, but you are quite right that ultimately we want to make it tailored to individual need and make sure it removes those barriers. We want to keep improving its timeliness, but at the moment it is taking 37 days to get through. We can definitely think carefully with regards to Kickstart and that point earlier on work coaches working with the customer and the employer to ensure the signposting and the application process is triggered and how we can make sure that happens as quickly as possible.

Peter Schofield: That is a really good challenge for us to take away, particularly for disabled people on Kickstart.

Q64 **Chris Stephens:** Thanks. JP, obviously I have dealt with Access to Work applications as a trade union rep, trying to encourage the employers. Are employers the main barrier for speeding up the provision? Are there any other barriers that the Committee should be aware of?

John Paul Marks: My experience from spending lots of time with the Access to Work team is that it is quite an historic legacy benefit system that was originally paper-based, with face-to-face assessments and receipts, for example, sent in the post and reconciled and all the rest of it. It is a system that is ripe for transformation and to be made more digital. As I said, we have started that journey; it is under way. We have talked before about this being demand-led. We have invested more than ever before in Access to Work. It is around £150 million a year, and we have increased the cap to around £60,000 that an individual can receive, but we still want to improve awareness and make sure people are clear that it is there for them if they want it.

As colleagues were saying earlier, ultimately we have an ambition to support 1 million more disabled people into work and to reduce the disability employment rate gap. Access to Work is just one enabler to that, so we want to continue to transform the journey and make it as efficient as we can.

Q65 **Chris Stephens:** Obviously we would be keen to see the progress on that, JP, so thanks for that.

Going back to Mr Schofield, the Department told the previous Committee a couple of years ago that it had commissioned KPMG to explore how Access to Work was helping increase work participation, but that research



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does not appear to have been published yet. Is there any reason for that?

Peter Schofield: I do not know. Let me write to you about that, Mr Stephens, and find out where we are on that report.

Q66 **Chris Stephens:** Thanks very much. If I can refer, Chair, to my entry in the register of interests, my next question is in relation to the number of disability discrimination cases in the Department. Mr Schofield, it is a very real concern to the Committee. I am referring specifically to the "Panorama" programme earlier this year and that DWP appears to have more disability discrimination cases than any other employer in the UK. Why do you think that is the case and what changes is the Department making to ensure that that is no longer the case?

Peter Schofield: Debbie will want to come in a bit more on the data and what we have been doing about it. Everything we are about is trying to make sure that we create opportunities for people in this Department to grow and thrive, whatever their situation, but including people with disabilities. Until "Panorama" presented that data, we had not seen the data in that way, so that was a massive challenge because it cuts across everything that we want to be and what we are doing. Anyway, why doesn't Debbie tell you a little bit about some of the things we are doing to address that?

Debbie Alder: Thank you very much indeed, Mr Stephens. I am the disability champion for DWP. It is personally extremely disappointing to have seen the culmination of those employment tribunals and how that was then conveyed to the public in "Panorama". I do not think that that is a fair reflection of the experience of many thousands of disabled colleagues in DWP. We have 16% of our workforce declare having a disability. However, it is incredibly disturbing every time we get it wrong and we clearly got it wrong in those cases. One thing on the comparison is that we do not use non-disclosure agreements, which some other organisations might do. In the year in question, we had a particular peak with the number of cases. Last year we lost one employment tribunal on disability grounds. That does not mean that I or the organisation are complacent, but the particular year was a peak in the number of cases that we had.

The important thing though is what we are doing about it. There are a number of things. First and foremost, we continue to be assessed against the Disability Confident level 3. We are assessed externally by the Business Disability Forum and we have maintained that status, which has some really key metrics that we have to adhere to. We have set up a new nationwide Thrive network, which is a fantastic network with over 1,000 colleagues in it as a disability network, which is a brilliant way of having employee voice in the conversations. JP and I meet with them very regularly. In fact, next week I have a Skype session with them, as many of the 1,000 as possible coming together.



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We have invested hugely in mental health training and awareness. I personally set a target a few years ago that we need parity of mental health first aiders with physical first aiders. We hit that target of 1,600 people last March. We also have put in place 450 fair-treatment advisers across the organisation. We have re-looked at our induction and training because some of those cases were about very early experience in DWP. Basically, we are ensuring that disability is absolutely at the core of everything we do, so the way in which we approach performance management, attendance management and so on.

Then finally on our processes and our procedures, we have two things happening. First, we have the Government Internal Audit Agency that is going to be looking at the specifics on employment tribunals, not just the ones in the "Panorama" programme but including ones that we might have won as well, to look at the whole of that. Secondly, and I think really importantly, we are doing an independent review. Acas is coming in this autumn and looking at not just disability, but broader aspects of diversity and inclusion. We are working with the Equality and Human Rights Commission to help identify an independent chair. That report will be published.

Q67 **Chris Stephens:** Thanks, Debbie. I like your answer there and obviously the Committee will want to keep tabs on progress.

You mentioned the Disability Confident scheme and I will turn to a question on that. The Department is accredited as a scheme leader. Is the Department taking steps to monitor where the scheme members are complying with the law, particularly around disability equality, and what steps are taken against a scheme member that repeatedly breaches equalities legislation?

Debbie Alder: Could I come back to you on that? My understanding is that in our role we have accredited other organisations. I am not aware of the action of the follow-up, so can I come back to you on that?

Q68 **Chris Stephens:** Yes, please. I think the Committee would really want to see that information, Debbie, thanks. Did you consider the Disability Confident scheme to have been successful in its aim to reduce the employment gap?

Peter Schofield: I think it is probably fair to say it is one aspect. Our Green Paper, probably next year, will have more on that. There is a massive role for employers, particularly where someone has developed a health condition or a disability when they are in work, to make reasonable adjustments and to work as hard as they can to enable that person to stay in the job. This is one of the biggest areas when we are looking at tackling the employment gap in the way you have described, Mr Stephens.

Where we really want to make more progress is working with employers. Disability Confident is one aspect of that, but there is this whole aspect of occupational health and the provision of support within the workplace for



someone who has developed a health condition while they are in work so they can stay in that role for as long as possible. There are plenty of things that happen down the track and we do a huge amount of work in DWP to help people who are out of work back into work, but if we can do more at the front end to stop people from losing their jobs in the first place that is a massive step forward. You will hear more from us on this subject over the coming months.

Q69 Chris Stephens: Thanks, Mr Schofield. Obviously, you are correct, employers do have responsibility.

Going back to the Department and working from home and the challenges that presents disabled employees with adjustments and equipment, what steps is the Department taking to meet the needs of those employees? Are the views of employees themselves and the trade unions being taken into account to ensure those new challenges are being met head on?

Peter Schofield: Yes, a really good question. Debbie may want to come in. As I alluded to earlier, we have been through massive change in ways of working in our Department, as more than half of our folk are now working from home or remotely rather than in a DWP offices. There are the challenges that go with that: physical support and mental support, a sense of wellbeing and a sense of teamwork together. We have been working closely with the trade unions, as you probably know, listening to feedback through them and through other routes from our colleagues, our staff, all across the country.

There are a number of things we are doing on this front. You talked about the kit, but it is not just the computer device, it is also the furniture to enable people to work from home comfortably. There are issues around how we make sure that our folk who are working from home feel connected and supported. It is interesting in talking to colleagues all across the country, some folk with disabilities who I have been talking to have said, "You know what, this is a breath of fresh air for us, this feels a lot better". Where they have had to work from home in the past they found themselves dialling into a meeting where they are the one person who is working remotely and everyone else is in the room. They have struggled to get themselves heard, to feel part of the meeting and part of the engagement. What we are doing right now is an example of this and what we are doing all across the Department. It is now common practice for us to use, in our case, Microsoft Teams or Skype and people feel they are now part of things in a way they have not before. Therefore, there are some upsides that we need to harness as part of how we want blended working to work going forward.

However, there are also issues around mental health, the feeling of loneliness and detachment. We had a good call with the whole of the senior civil service in DWP only yesterday about this very topic and what we are doing to tackle it. Moving to the blended way of working presents



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fresh challenges but also, for some people, there are great opportunities that we need to harness. Debbie, do you want to add to this?

Chair: We are a bit up against the clock. Chris, I know there was one further point you wanted to pick up. Do you want to do that?

Q70 **Chris Stephens:** Yes, thanks, Chair. It is in relation to the Bereavement Support Payment and the Committee recommendation last year for cohabitants with dependent children. It is not mentioned in the accounts or in the report, Mr Schofield. What progress has been made to ensure children of cohabitants are receiving this particular payment?

Peter Schofield: I think there is more progress on that and we will be able to update the Committee. I can write to you with the latest position.

Chris Stephens: That will be very helpful.

Q71 **Debbie Abrahams:** Good morning, everyone. My questions relate to safeguarding, but I will start with a question about objective 2 of the Department's departmental plan. Could you explain what you mean by wanting disabled people to view the benefit system and the Department as an ally? What does that mean? Again, we need to be brief with our answers, if that is okay.

Peter Schofield: It is a catch-all, Ms Abrahams, for an awful lot of things including, I am sure, some of the conversation we would probably want to have around support through customer experience and relating to the conversation with the Committee back in July. It is really how are we, as a Department, an advocate as part of enabling the disability employment gap to be narrowed. You will hear more about this in the Green Paper. It flows from a number of things: looking at the whole situation through someone's experience as they develop a disability, and if they are in work how they stay in work, all the way through to their experience of claiming disability benefits through DWP and all that goes with that.

It is really a framing that covers, as many of these objectives do, a range of different things that the Department is doing. At the heart of this it is to help people to live independent lives, accessing work where they can and having support from the state when they are entitled to it.

Q72 **Debbie Abrahams:** Thank you. I was a little bit worried about what you said at the beginning, but I think you retrieved that, Mr Schofield, when you said that not everybody who is disabled will be able to work. How does appealing a judgment where the Department has been found to discriminate against disabled people reflect that objective? I am thinking of the case where two disabled people brought a claim of unlawful discrimination against it as a result of managed migration because of a change in circumstances. Again, I would be grateful if you could be brief.

Peter Schofield: I do not want to talk about individual cases; it would be inappropriate to do so. There are cases, as accounting officer, where we need to protect the public purse and where it is right for us to take a



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process through law. There are cases where we need to do that. More broadly where I would be—

Q73 Debbie Abrahams: I beg your pardon, but thank you for that. I am particularly focused on the appeal side of it. I think you are trying to say this is about the culture in the Department and a change in culture in the Department. I want to make sure that the objectives and the actual action reflect that.

Moving on, particularly on safeguarding, I have been investigating the deaths of benefit claimants since 2014. Previous Select Committees have also undertaken inquiries in relation to this, originally on sanctions and then a Select Committee in the last term also investigated issues around deaths of benefit claimants, referring to the National Audit Office. There has been a whole raft of different recommendations from Select Committees and from the NAO, but nothing really seems to have fundamentally changed. There is no independent group and there seems to have been a change in name of the group that is now investigating internally deaths of benefit claimants. What is the real change and how can you reassure disabled people that the Department is committed to resolve the appalling deaths of benefit claimants?

Peter Schofield: The Secretary of State and I gave quite extensive evidence to the Committee before the summer on this very subject. I felt we took you through a lot of very significant changes that we have made.

I became Permanent Secretary about two and a half years ago, and soon after that created the role of Service Excellence Director General and then within that we created the Customer Experience Director. It is a whole new role that we have never had before. That director post, and everything that goes with it, is designed to make sure we understand the experience particularly of vulnerable people going through the benefit process. Along with that—as you know, we obviously we talked about it back in July—we created the Serious Case Panel, which has now met three times, chaired by a non-executive director. It has independence in the form of the independent case examiner as a member of that. In the light of the discussions we had in July, we published minutes and terms of reference.

We are open about this and we are working hard on it. Everything we are trying to do is to make sure that when we have a situation where something seems to have gone wrong we use all of these processes, enhancing the way we do internal process reviews, the way those are reassessed and then the recommendations are tracked through the group chaired by the Customer Experience Director. Any systemic issues come to the Serious Case Panel. We have had three of those meetings so far and we have made real changes as a result. I really want to reassure you on this.

Q74 Debbie Abrahams: Thank you for that. Yes, I was heartened following that meeting, I have to say, Mr Schofield. However, then the Committee



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received the letter from the Secretary of State that seemed to, unfortunately, backtrack on what I thought was a change in culture and was a change in how the Department was going to proceed with things. We must remember that in just the assessment process there are 60 people a month who are found not eligible for PIP who then subsequently die within three months, thousands who have been found fit for work every month are then dying. The Secretary of State's letter seemed to backtrack on this and was suggesting that the Department had no duty of care. Could the Permanent Secretary remind the Committee when the duty of care of the Department was rescinded?

Peter Schofield: Obviously you debated that with the Secretary of State in the hearing a couple of weeks ago, I think it was. The Secretary of State was talking about the legal duty of care, legal safeguarding duty, which obviously sits by and large with social services and local authorities.

Q75 **Debbie Abrahams:** I beg your pardon, Mr Schofield, but is it not the case that the Department had a legal duty of care until 2016 and then that was rescinded? Can you confirm that is the case and can you tell us why?

Peter Schofield: Our duties relate to our co-operation with other agencies. I want to reassure all of our claimants and reassure the Committee that this is not a legal question for me. This is about what we do in reality, what goes on in the work all across the Department and what we do. The Secretary of State and I talked a lot in July about how we work locally with other agencies who have the specialist capability to support people. People come to us often first and foremost, and we have that privileged access of being able to get to know claimants and signpost them to provision. Every Jobcentre has a complex needs plan that enables work coaches to identify the right support.

I talked about a number of examples in July. Since then in the "The Yorkshire Jobcentre" series on Channel 4 you have seen the Leeds social justice team in action. If you watched the programme you have seen it in action. That is real life. That is what is going on right now all across the country. It is the way we are leaning in and reaching out, working with other agencies to make sure people are signposted to the support they need. We have now put in place the safeguarding leads that we talked about when we were here in July. Those roles are filled. Those people are there and they are doing the work. I want to reassure you, Ms Abrahams, that work is underway.

Debbie Abrahams: Again, I have many interactions with—

Chair: Debbie, can I interrupt? Sorry, apologies for doing this but one of the other members who wants to ask a question has to leave us in a minute, so can I just bring him in and then ask you to come back in a minute?

Debbie Abrahams: Of course.



Chair: Shaun Bailey, you had question and I know you have to go off to the Chamber.

Q76 **Shaun Bailey:** Yes, it is a really quick one, Chair, regarding the guaranteed minimum pensions and the changes in how they have been communicated. Previous Committees have picked this up numerous times, around how changes are being communicated to the public. I know when the Department has been challenged previously some of the responses have included that members of the public were to look at answers to parliamentary questions to understand more about how they would be impacted. Quite frankly it is a complex space and I do not think it is necessarily incumbent on the public to have to navigate through some of this stuff.

I know the Department has published a fact sheet on GOV.UK, which has been really helpful. However, what lessons have been learnt from this? How is the Department trying to ensure that when significant changes like this are happening they are communicated to the public in a digestible way that they can understand and understand the impact on themselves as individuals? Without them having to wade through a mire of information, it gets straight to the point and gives them the facts they need to know.

Peter Schofield: Thanks, Mr Bailey. Obviously, you saw my letter to the Chair on this subject and you have seen the fact sheet, so you have seen what we are doing, and the way in which this was examined, I think, by the Committee going back.

I take the point about communication and clarity. Partly that is around our campaigns, how we work effectively to communicate changes to entitlement and changes to things that are going on. We are ever improving our campaigns work. The Government Communication Service is currently being restructured, so hopefully that will enhance things still further.

Alongside that, there are other types of support. Now we have the Money and Pensions Service and all that is doing. There is some excellent work going on in how it is managing, supporting and bringing together a number of capabilities from its predecessor bodies to make that happen. It is incumbent on us in our campaigns, on the support that comes through from MaPS and working—as we did, looking back—with this Committee and its predecessor Committees and making sure Parliament is fully aware in the normal way. Hopefully, that gives some reassurance about what we are doing going forward.

Shaun Bailey: I will leave that one there, Chair, because I am very conscious of time. Thank you.

Q77 **Chair:** You are still due to respond to an Ombudsman report on this, aren't you? When is that?

Peter Schofield: I cannot remember the timing on that.



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Q78 **Chair:** Could you let us know when that response is going to be provided?

Peter Schofield: Yes.

Chair: Thank you very much. Debbie Abrahams, apologies for interrupting.

Q79 **Debbie Abrahams:** No problem at all, Stephen. To conclude my final question, can the Permanent Secretary confirm that it was 2016 when this legal duty of care from the Department was rescinded? I absolutely agree there is a moral imperative. I take him back to his response—the Department has to challenge through the law when appropriate. However, at the same time if there is a real commitment to this it will be statutorily obliged that the Department has that duty of care. What will be the issues about reinstating that?

Peter Schofield: I do not know about the 2016 situation. The nature of the safeguarding duty, what we are talking about here, relates far more to the sort of provision and work of social services and local authorities so it is much more appropriate—

Q80 **Debbie Abrahams:** I apologise for interrupting but I have to challenge you on this. You provide face-to-face services. You directly support some of the most vulnerable people in society. You cannot just palm that off to another agency. You also have direct responsibility for some of the most vulnerable people in our society and you have to take responsibility for that, surely you must agree.

Peter Schofield: What I was going on to say is I think our duty relates to referring, to providing and supporting people into other types of provision. Our duty to refer, for example, on homelessness is a classic example of that. As I said earlier, people come to us often first and foremost because they have accessed benefits. In doing so, we get to know them, we build a relationship with them and we can see their wider sets of needs. Then our responsibility is absolutely to refer them to specialist support. We see this all across the country. Where it goes wrong then we have all the measures I have described earlier and that we talked about in July.

Q81 **Debbie Abrahams:** The Department determines whether people will get money, whether they will have enough money to survive. That is fundamental. Whether it is sanctions or whether it is through fitness to work, you determine whether these vulnerable people will have enough money to survive. That is the crux of it.

Peter Schofield: JP may want to come in on this. We have a responsibility here to make sure we pay benefits to people who are entitled to them. When we talked about the fraud and error earlier, we did not talk about underpayments and I take underpayments as a matter as important as overpayments. I am glad to say on some of the benefits we are seeing underpayments coming down. Absolutely, we have a



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responsibility to do that, to make sure people get the money to which they are entitled. JP, do you want to add to that?

John Paul Mark: Yes, I appreciate time is short, but this is a very important conversation. The spirit, the intent and the values we try to communicate every day with our teams are absolutely about delivering customer services with compassion and care.

If I take the two examples the Committee raised around sanctions and adverse decisions on disability, on sanctions we have put in place more controls and more focus on quality. It was already at a record low into Covid and it is now lower still. We have put a lot more discretion into the work-coach role to protect the customer who might have caring responsibilities, mental health or health barriers, travel disruption and so on. We are really trying to always empower our front line to focus first on coaching the customer to thrive, to get paid on time and in full and into work. Similarly, in the disability benefit system, with holistic decision making, taking the time on adverse decisions to do the outbound phone call, check for all evidence, understand if there is a gap or a risk, explain the decision and then signpost the customer to the next right destination. These are the substantive changes that change the way we deliver our circumstances.

I agree with you on the culture and capability that Debbie was talking about, whether it is about mental health, domestic abuse specialists, duty to refer on homelessness, complex needs plans. In every Jobcentre every day, my teams in delivery are focused on trying to get this right because we share the intent to ensure that the safety net works for the most vulnerable.

Chair: Thank you very much. We should try to get to the bottom of whether there was a legal change in 2016, but perhaps we will come back to you about that.

Q82 **Steve McCabe:** I am very aware we are short of time, but I want to try to clarify some points about the state pension underpayments. I understand from the Minister's letter that the Department does not know the maximum number of people who have been underpaid. Do you recognise the figure of tens of thousands that Lane Clark & Peacock, which exposed this problem, have referred to?

Peter Schofield: It could be that number. I think about 10,000 people have—

Steve McCabe: Could be tens of thousands?

Peter Schofield: It could be, yes. I think about 10,000 people have now written. We are aware of 10,000 cases that have been raised to us and we are working our way through them.

Q83 **Steve McCabe:** You do not know the maximum. We definitely know it is tens of thousands but it could be significantly more; is that fair?



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Peter Schofield: I would not put your final bit there. We have 10,000 people who have—

Q84 **Steve McCabe:** It could be in excess of tens of thousands, okay. I think I am right in saying you do not know how much it is going to cost. However, is it true you have already spent several million pounds in refunds? That was again from LCP.

Peter Schofield: I can tell you that we have received almost 11,000 cases. We have reviewed 7,200 of them and 5,300 of them turned out to be correct. The challenge at the moment for us is that we need to work through each of these cases. They are quite complex calculations, and we then need to work out—

Q85 **Steve McCabe:** Is it true you have spent several million pounds on those cases to date?

Peter Schofield: I do not know the number, but it would be the payment to just under 2,000 where we identified the issue and then addressed that. It is 2,000 people so far.

Q86 **Steve McCabe:** You have only paid 2,000 people. It is important to know whether or not 2,000 people amounts to several million pounds, isn't it? If you are trying to calculate this in the long run, it is important to know how much you have spent on those people to date; do you agree?

Peter Schofield: We will know that, but my point will be—

Q87 **Steve McCabe:** Okay, so could we know that? Could you tell us?

Peter Schofield: Yes, I will tell you how much we have spent, yes.

Q88 **Steve McCabe:** That will be great, thanks. I wanted to understand this bit, I did not get this. The Minister says you are exploring how you can most effectively analyse accounts to identify those widowed and over 80 who have been underpaid. What exactly are you doing? What are you exploring? You have the data, don't you?

Peter Schofield: Yes, but it is a complex calculation. As you know, the legal obligation changed in 2008, and we need to work our way through that. The key for us is using our data analytics tools to enable us to identify as quickly as we can those cases that are most likely to be incorrect, so we can use the resources we have to get money to them quickly.

What we found in similar processes before—for example, on some of the PIP cases—our initial scans have suggested very large numbers of people might be affected by something like this, and then when we have gone through it we have realised that the numbers are significantly lower. Rather than starting with a very large number and working through them methodically, if we can do more by data analytics to narrow it down then we can get money more quickly to people. Some of this requires some manual calculation and we need to be able to narrow down where we are



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going to do that manual recalculation so we can get money to the people who are affected the most quickly. We want to sort this out.

Q89 Steve McCabe: I want to see if I can understand this. Some people have received lump sums and interest payments, and other people have not. I presume you are justifying that on the grounds you have some kind of discretionary special payment scheme. Is that right and who makes that decision?

Peter Schofield: We have a process for looking at what we call LEAP situations, where there is a legal entitlement that has not been paid and it is the legal entitlement administration process. This does not need a discretionary fund because this is money that people were entitled to all along.

Q90 Steve McCabe: Why do some get interest and others not?

Peter Schofield: It may relate to the nature of the case. As I said, prior to 2008 there is a different duty from post 2008, so there may be different circumstances involved. The key thing—

Q91 Steve McCabe: Sorry, I do not mean to interrupt, but I want to understand this. Some people get a lump sum with interest and some do not. What is the difference you are describing and is that a discretionary decision?

Peter Schofield: It will relate to the nature of the entitlement they have. The law changed in 2008, so what we pay will relate to the legal entitlement. In some cases there will be an entitlement to interest and in other cases there will not, which I think is what you are saying.

Q92 Steve McCabe: When the Minister says in his letter to the Chair of the Committee that you are making payments in accordance with the law, he is talking about the law going back to 1987 when it was set. That is right, isn't it?

Peter Schofield: You are testing my knowledge there.

Q93 Steve McCabe: That is what it says. I take it there is nobody in the Department now who was around in 1987. Do you think it is fair to be basing your judgments on something no one can recollect?

Peter Schofield: The law is in place, so we need to go back and follow the law. The main thing that is affecting these cases is the change in 2008.

Q94 Steve McCabe: The thing that is governing the payments is a law that was set in 1987, isn't it?

Peter Schofield: It depends on the claimant; it depends on the situation; it depends on the case. We can arrange a more detailed briefing on this.

Steve McCabe: Would you?



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Peter Schofield: Yes.

Q95 **Steve McCabe:** I think a lot of people would want to know this. You have told us there are 11,000 folk, and it could be an awful lot more. I think people would want to know they are not being diddled, I think that is the bottom line here.

Peter Schofield: It is 11,000 people who have applied.

Q96 **Steve McCabe:** The ones we know about. There could be lots more in the pipeline.

Peter Schofield: I think those we have got through is 7,200, and of those about 1,900 proved to be wrong, so the others were right.

Q97 **Steve McCabe:** Yes, but that is the ones who know about it. There could be lots more in the pipeline.

Peter Schofield: I am not disagreeing. We know we need to go through this. What we are saying to people is if you think you were underpaid then get in touch, absolutely. For everyone else we are using data analytics to try to narrow down the number of people who are affected by this and then we will work through it methodically. As I understand it, I do not think there is any way we have worked out yet other than to manually recalculate, so it does take time.

Q98 **Steve McCabe:** I accept that. Two other very quick points. The Minister says you have a specialist team that is dealing with this. How many people are in the specialist team?

Peter Schofield: Right now it is only 37, but we are building up that team.

Q99 **Steve McCabe:** The final thing is this limit that you only go back to pay people 12 months, where the change occurred, and some people only get 12 months' worth of payment. Is that the same kind of rule you apply when you are chasing people to get overpayments back, or do you have one rule for them and another rule the other way around?

Peter Schofield: It is following the law.

Q100 **Steve McCabe:** I am sure it is, but is it the case that where you are taking it back it is one rule and a different rule when they are being underpaid?

Peter Schofield: No, and I have been in front of this Committee and the Public Accounts Committee before about, for example, the ESA underpayment situation where we were paying back to 2011 in some cases and some quite large sums. The issue you are talking about, I think, is around the way entitlements changed in 2008 and how that played out.

Where someone is entitled to money and we have not paid it then we run a process. Either we can sort it out or if it is something of a bit more



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scale, like this, we run a process called LEAP. We have a specialist team, which we have in this case, and it will chase down and work out what people are entitled to going back for as long as they are entitled to it.

Q101 **Steve McCabe:** I am aware we are out of time, but would you agree to update the Committee on the progress of this? I think people are pretty concerned to discover this.

Chair: You have offered us a fuller briefing on it, haven't you?

Peter Schofield: Yes.

Q102 **Chair:** I am sure that is the something the Committee would want to take up. Thank you.

We are into extra time and there are a couple of things we need to flag up. Can I ask you on one specific point? You have made the point about the dramatic reorganisation you had to go through. When the pandemic started, 10,000 people were redeployed and the Committee has paid tribute to the huge efforts the Department and its staff made to handle the massive surge of demand in Universal Credit applications and so on. In the middle of that, did you have to seek any ministerial directions for any of the changes you needed to make?

Peter Schofield: It is recorded in the report that I sought a direction at the very end of the financial year in 2020 because, as the paper set out, it was a very tight settlement for the year that just ended at the end of March. What I did not want to do was find ourselves limiting the help we were providing and the work we were doing in order to live within our departmental expenditure limit. The Secretary of State kindly gave me a direction to enable me to overspend if necessary, which we did not but it enabled us to get on and provide that help without having to restrict it.

Q103 **Chair:** It was just that one direction?

Peter Schofield: Just one direction, yes.

Chair: Thank you. Neil Coyle wanted to flag something. I don't think we are going to have time to get an answer from you, but if Neil flags the issue I will ask you to drop us a line.

Q104 **Neil Coyle:** The contract for PIP and ESA assessment providers was extended due to Covid, which is obviously understandable. It would be useful if you could set out in writing what improvements were required as part of the extension of the contract and what levers are in the contract to ensure the flaws within those assessments are addressed and they meet better standards. It would also be useful to have an indication of when the Green Paper might appear for reform of the assessments.

Peter Schofield: I know we are out of time but one of the things I would love to be able to share a bit more with you about is the improvements we are making to the PIP journey even now. As Mr Coyle rightly says, we have not yet finalised the extension. We are extending the contracts that were due to end in July next year for a further two years. That is not



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holding back the work we are doing to try to improve the customer journey. A couple of very quick examples. One is on PIP apply online, so it is easier to access and make your application online. The second is rolling out more in the way of holistic decision-making. We are making the decision, gathering much better evidence and triaging claims outside of the health assessment bit of the process. We are already seeing some very significant improvements there.

Q105 **Chair:** Picking up Neil's point, could you drop us a line about what you are doing in the context specifically of extending those contracts?

Peter Schofield: Yes.

Q106 **Chair:** Thank you. One final point to flag from me, the UK Shared Prosperity Fund is due to be in place by April. There was supposed to be lots of consultation around this, a fair amount of which does not appear to have happened. Do you know yet what the UK Shared Prosperity Fund is going to look like?

Peter Schofield: Decisions are being made as part of the spending review, so we will see how that plays out very shortly. The one piece of reassurance I will give the Committee, to make sure that is got across, is that the 2014-2020 programme, the ESF, can continue and we can continue spending money on that through to 2023. There is not a sharp end point at the end of December this year.

We are doing quite a lot of things in order to make sure we spend the remaining £700 million in that programme effectively over the course of the coming period and avoid any hiatus there might be before the UK Shared Prosperity Fund is due to start, which should be April next year. I think we will hear much more about it in the spending review.

Chair: We have covered an enormous amount of ground and taken a fair amount of time. Thank you very much indeed for joining us. Thank you to the witnesses who joined us virtually as well and for the contribution you have both made. That brings our meeting to an end.