HOUSE OF COMMONS

Work and Pensions Committee

Oral evidence: Disability employment gap, HC 975

Wednesday 20 January 2021

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Watch the meeting

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

Questions 1 - 47

Witnesses

I: Dame Carol Black.

II: Joshua Reddaway, Director, Work and Pensions, Value for Money, National Audit Office.

Examination of witness

Witness: Dame Carol Black.

Q1 **Chair:** I warmly welcome everybody to this meeting of the Work and Pensions Select Committee and welcome as our first witness Dame Carol Black. Thank you, Carol, very much for being with us this morning. We have a number of questions we would like to raise with you and I am going to begin.

You have been thinking about ill health unemployment for a long time; in fact, I can remember discussing this with you when I was a Minister—well over a decade ago now. This is our first evidence session in our inquiry on the disability employment gap, and the first thing I wanted to ask you, given the period of reflection you have had on this, is whether you think disabled people are better or worse off in the labour market now than they were 10 years ago. How do you think things have changed?

Dame Carol Black: They are a bit better off, really. There have been some attempts to correct some things that have been successful, and I think there are other areas where, despite effort—and I think there has been effort—I do not think much progress has been made. Do you want me to give you some examples?

Chair: Please do.

Dame Carol Black: If you think about it, in my first review in 2008 we were really looking at the links between health and work, which were not well understood, and people did not seem to think there was a connection. There was this assumption that ill health was incompatible with work. That seems a long time ago and I do think that has changed, so I think that has been a positive. I think there were very few early interventions for employees particularly who had no access to occupational health. That is a much bigger question mark and one I hope you are going to look at.

In that review, I very much emphasised the need for high quality occupational health services, and I did say, and I have been saying probably for the last 15 years, could we please make occupational health much more important—could it be modernised and could it be relevant to the people in work? It does many good things but, of course, the big problems in the workplace such as mental health and muscular skeletal system disorders were not things that were necessarily covered by occupational health.

If you go on a bit further in the in-depth review that David Frost and I did in 2011, we were really looking at two things: early sickness absence, where, of course, theoretically the employer bore most of the cost, and then absence from work where the benefit system, the Government, bore most of the cost. I would have to say when I went back before talking to you today to see whether we had gone as far as I would hope we could have gone, the answer is no. That is not because people have not tried.

With early intervention, we had the Fit for Work service that ended in 2017 but sadly was never implemented in the way that David Frost and I wrote it, for example. They are just one or two examples.

Q2 **Chair:** That is helpful. How do you think we should measure progress in increasing the number of disabled people in work?

Dame Carol Black: It is a very good question. Of course, I think it does partly depend on how you define disability. With my hat on as a clinician, and my specialty was rheumatology, I looked after lots of disabled people. Many of them became very irritated with me, quite rightly, when in a way I saw their disability and not them as people.

The biggest lesson I learned about that was I looked after young people with Still's disease, juvenile arthritis, and I still remember several young people saying to me, "Will you treat me as a person, not a disease?" They would never have wanted to self-declare that they were disabled, so I would worry that in the present system we rely on people's self-declaration of disability and you may not get that.

There is also the way people could move in and out of disability. Let's say you had a condition; I will take lupus. It is a connective tissue disease. You could be stable for well over the year that is required in definitions today, and you might be stable for a year and, therefore, theoretically not disabled, and then you might suddenly move into disability.

Of course, I do not know any easy answer to this. Disability is a very complex thing and people are trying very hard to get a definition, but that is two examples of where it is really hard to do this well.

Q3 **Chair:** The Government have said they want a million more disabled people in work by 2027. Before that there was a target that David Cameron proposed of halving the disability employment gap. Are those the kind of measures you think we ought to use? How useful do you think those two are?

Dame Carol Black: I can see that a target is probably quite useful—for a politician, for example, if they wish to get their civil servants really on the job of making this happen. But with a target, if something like Covid comes along with so many external factors over which you have so little control, then your target is out of the window. Again, as with so many things, there are pros and cons.

The disability gap again does not seem perhaps to have moved as much as we would have liked it to have moved, but then again it is based on those self-declared disabilities and by the very definition of disability it may not be the most accurate or best measurement. If you said to me have I thought about a better one, I cannot sit here and say that it has been an area I had really thought about. What I am sure of is that there are many disabled people who with the right approach could be in the workplace.

Q4 **Nigel Mills:** Can I take you back to the report you were talking about that you co-authored with Mr Frost? I think you described the sickness absence system as, "a system that is failing, a system which pushes people away from the labour market towards inactivity; which fails to invest in support for those that need it; and which adds significant cost to business at a time of economic difficulty." Not a brilliant summary. Do you think the position has improved since then or do you think it has stayed about the same?

Dame Carol Black: If you look at the recommendations of that report, some of them have been enacted and some well, and some not well. If you take the Fit for Work service, which should have helped considerably, I think one of the biggest challenges there was that we did not get our GPs ready for that new way of working.

We were asking quite a lot of a GP in referring to the Fit for Work service and then we made it technically—and I do not want to go into a lot of detail—very difficult for them because we did not give them an easy one click on the computer where they could refer. They had to come out of their own computer systems and go into other computer systems, the Fit for Work computer system. That made it a longer business. It probably put them off. They could not use the fit note as a referral, for example.

There were quite a lot of practical things that would have enabled that service to work. It failed because of a lack of referral. In the beginning it was just GP referral, then it was enlarged to employer referral—it was never person referral. I felt it could have done much more in supporting people with mental health problems when they were referred, but for those people who got into the service there was a pretty good response in getting them back into work, so there were kernels there of the way to go. I think they needed to close that service, but I would have liked some of those early green shoots to have been picked up.

Some of our more minor recommendations were definitely picked up and put into place. I think the one I really would have liked to have seen enacted then, and I do not know if it would be as relevant today, is we recommended that before anybody should go on to what was then ESA they should get their WCA, because of that awful lag of going straight into ESA sitting there for several weeks. By the time you were getting your WCA you had become very fixed in a benefit system, probably pretty terrified of leaving it, and we felt you really should get your WCA very quickly and then and only then move on to your ESA.

We were also very worried, as you probably remember, by the fact we identified about 120,000 people, I think, who went straight from work with no sick note straight into the benefit system, straight into ESA, so work-ready people who then travelled straight into the benefit system. There was a lot of effort to try to meet most of the recommendations in the report, but I think perhaps the two big ones did not fly, and that meant there was no reform or support for occupational health.

The Fit for Work service was indeed an occupational health service especially for small and medium-size employers, and I am very much hoping that when DWP publishes—which I do hope will be soon—its response to the very large consultation it had not so long ago we will see some real movement on occupational health.

Q5 **Nigel Mills:** That should be a real priority to make sure that that occupational health support is available to people pretty quickly once they start to experience difficulties. That would change the outcomes.

Dame Carol Black: It would also be very good to see some support for specialty. I think that of all the medical specialties you can think about, it is the most unloved. Its training is not in the normal system of training of, let's say, if you wanted to be a cardiologist.

I think occupational health nurses need far more support. They could do a fantastic job. It is that specialty that is at the border of health in a way and the economy—and, goodness me, Covid has shown us how important that is and how important occupational health was and is during this Covid crisis. It is something I really think would make a big difference.

Q6 **Sir Desmond Swayne:** In 2019 there was a consultation by the Government on a package of measures to reduce ill health in the workplace. One of the things consulted on was a right to request changes to the workplace, to which the TUC replied saying that it should be a right to have them. How would that work? Is that fair? Would it not disincentivise the employment of disabled people?

Dame Carol Black: Sorry, do you mind being just a bit—

Sir Desmond Swayne: The Government had a package of measures in 2019, which they consulted on, one of which was the right to request changes to the workplace.

Dame Carol Black: Do you mean by the employee?

Sir Desmond Swayne: Yes, the employee. The TUC's response to that consultation was that rather than having the right to request they should have the right to the change. Is that a balanced possibility and would it not disincentivise the employment of disabled people?

Dame Carol Black: I see what you mean. I think that might be one of the consequences. It is a parallel thing, but if you think about what has happened in the Dutch system, there is so much more demand upon the employer about their responsibility for someone who is sick, and that responsibility really extends out I think for something like two years. They have quite a responsibility should the person be about to lose their job, I think, to help them find a job.

The response of the employer there has been one over many years and there has been to and fro in the system, but one of the responses when I was doing my 2011 report—we looked at the Dutch system very closely—was that the employer tended not to employ so many disabled people

and, secondly, to give more temporary contracts. In a slightly different system you could see that when there were big demands on the employer, then the employer readjusted to that system.

Q7 **Sir Desmond Swayne:** Are there any other things in that consultation that you are aware of that you would wish to have been expanded, or do you have any reflections particularly on the reform of sick pay?

Dame Carol Black: Again, as you know, part of that consultation was about occupational health, especially for small and medium-size companies. I wish that they might have thought again about really early intervention, because although the Fit for Work service itself was not as practised and as successful as we wished it to be, we all know and the evidence is very strong that the earlier you intervene to enable someone who is unwell to stay in work—and this will be particularly relevant to disabled people—the more likely you are to succeed.

I think one of the attractions to do something about the Statutory Sick Pay was because we again highlighted in our 2012 report that many smaller employers who were employing employees on pretty low levels of pay just simply did not pay SSP. They rather enabled the person to slip quite smoothly into the ESA system. I thought it was useful that they were going to have an extra look and consult on SSP. I very much hope we are going to get the result of that consultation soon.

Q8 **Neil Coyle:** Thank you for joining us this morning. Most people acquire health condition impairment as adults and they often leave work before adjusting to a new condition and go on to regret that. It can have serious long-term employment and other consequences and, of course, an impact on the benefit system.

Small employers tend to be defter at adjusting to someone's change in circumstances. Larger employers, who have bigger HR personnel-type processes that pick up on why people are leaving, tend not to be as flexible in many cases. Do you think there should be more of a duty on larger employers to demonstrate how they have provided reasonable adjustments to employment practices to try to retain people in work as they acquire health conditions?

Dame Carol Black: It is interesting that you put it like that. This is not from reading the literature but really from my own experience, so it is very person-based, but it was rather that the larger employers did have the capability to often make the adjustments.

It is really coming down to what I think are the three essentials about health, work and wellbeing. You need high-quality leadership. You need really well-trained line managers—I think it is at the level of the line manager—and I would put a great deal of emphasis and would like to see very much more line managers with appropriate but not overtraining in mental health and general health and understanding at a very broad level of the things that will keep people out of work or are likely to take people out of work. I think it is at a managerial level.

A lot can be done and it has been especially useful seeing those big companies that have made health and wellbeing a board reporting issue. Twice a year health and wellbeing is reported to the board, and often a non-executive is charged with being the person on the board who works with the HR or perhaps the OH department to bring that there. For the smaller employers, I agree that for some it is a more family affair, but certainly in our 2011 review it was the smaller employers who really let go pretty quickly.

Q9 **Debbie Abrahams:** Good morning, Dame Carol. My question follows on from Neil Coyle's. As he said, nine out of 10 disabilities are acquired. Given that just over 40,000 people in work were supported to remain in work through Access to Work, do you feel that extending that programme—and we know that there are millions of disabled people who would like to work—would be one way of ensuring that people who are diagnosed with chronic illnesses or disabilities could stay in work and helping people into work as well?

Dame Carol Black: I think it was Liz Sayce in her report who said it was Government's best kept secret. I think it works because it is a person-centred thing. I would say always if you want to get people back to work it may be more intense, it may be slightly more expensive, but it is the person thing, dealing with that person's problems, that will help them get back. Yes, I would like to see it extended.

I would be particularly interested to make sure that any mental health problem was well accommodated in Access to Work. I wish there could be employer referral because I wonder how often an employee feels it is a lot to do and they do not know quite how to do it themselves. In the present crisis and maybe in the future when we have more home working, perhaps, should we think about whether these adjustments could be home-based? Because of all the horrid things that Covid has done, I would have hoped that for disabled people who have physical needs we could make it easier for them to work from home more often.

Then I sense, but I am afraid I don't have chapter and verse, that maybe the paperwork, the reimbursement of travel expenses, there could perhaps be some smartening up of the mechanics of it. I do think it is a scheme that has stood the test of time. It has matured and I think it is a very good thing. If it could be expanded, then I would certainly be a supporter.

Q10 **Debbie Abrahams:** I am going to ask a question in relation to the Work Capability Assessment; my colleague Chris Stephens has some questions in a moment on this as well. In your reflection and your response to his questions, would you want to consider that since the Work Capability Assessment was introduced in 2008 up to 2017, 5,690 disabled people who have gone through the Work Capability Assessment and were found fit for work died within six months? Within your responses to the effectiveness and the appropriateness of the Work Capability Assessment, could you reflect on those appalling figures?

Dame Carol Black: I think this wretched WCA is one of those wicked problems that the Government have to face. I think it has had, or had until a few years ago, about five reviews by very competent people, all trying to make it better, and still I think we would all have to agree it is not fit for purpose.

I think it is very hard. How do you design a fair WCA when you are often trying to assess conditions that are not stable, that have remission and relapses that will invariably affect function? The present WCA relies very much on a functional assessment. You are then doing it so often, regrettably, in an adversarial situation with someone who, let's say, is in the old ESA system or wherever they would be in Universal Credit, and they feel their very livelihood and family stability is dependent on them staying and having support. They do not feel well enough to work.

Again, some of the earlier work that I did showed that the longer you were out of the workplace you become deconditioned. Perhaps it is not a very good word to use, but you are just no longer in that mindset and with that physical capability of getting up at 7 am, having your shower, going out and doing eight hours' work. By the time you get to that WCA I think so often people—

Q11 **Debbie Abrahams:** With respect, I do beg your pardon, but I think given that people are dying, the attitude of some people in terms of people being work shy or out of the habit of working just does not apply. You may also not be aware that Professor Harrington and Dr Litchfield were not provided with evidence of the deaths of people who had been found fit for work when they were undertaking their reviews, which is a serious omission, I am sure you would agree.

Dame Carol Black: I am sorry; I did not mean it like that. I meant that for anybody going to a WCA—and, of course, I do not know the individuals who were in those rather dreadful situations—I think the whole system is not designed to be as supportive as one would wish it to be. I do not think I could fairly comment on individual cases.

Debbie Abrahams: I absolutely agree. I am sorry; I hope I have not pinched any of the questions that Chris wanted to ask you, Dame Carol, but I will hand over to him.

Q12 **Chris Stephens:** Thanks to Debbie for teeing up some of my questions. Carol, good morning. I want to take you to your 2016 report on the Work Capability Assessment, and the first question I have for you follows on from Debbie's questions. The trade unions, you acknowledge, are quite suspicious of Work Capability Assessments—that they are being used effectively to force sick people back to work. Do you think that suspicion still prevails and what do you think could be done to address that situation?

Dame Carol Black: I do think there is a huge suspicion around this whole system. I was hoping that DWP was going to look at the whole system, because as it stands it is a very disliked system that is viewed

with great suspicion, as if it is a system that is trying to get you back to work however you may be placed in your health or other circumstances.

The Dutch do this rather differently. They assume that people will have periods in and out of work, so that being out of work does not have a stigma in the way it might have for us sometimes, and that they expect that this will be a much more fluid state in which anyone could find themselves. The need is to enable as many people as possible to return to a good workplace and be supported. I think that is a very different culture to the way people view our present system.

Q13 **Chris Stephens:** Obviously, one of the key debates you will have seen in Scotland is that the Scottish Government have moved away from private firms carrying out benefit assessments. Do you think that there is a public suspicion of profit motives in the benefit system and that is contributing to problems for disabled people?

Dame Carol Black: I do not know any of the evidence. I do not know, I have to confess, the thing you are talking about.

Q14 **Chris Stephens:** Sorry, Carol. Essentially, private firms are carrying out benefit assessments, so do you think that the public are suspicious that it is private companies that are carrying out these assessments, rather than hearing the evidence or a benefit system being based on medical evidence from GPs, consultants and the like, who make these decisions?

Dame Carol Black: I think irrespective of whether it is private or public, people do not like the system. My understanding is that the contribution that you would hope would be available from consultants, from GPs, is not usually available when the assessment is done.

When I and David Frost visited assessment centres, there seemed to me to be a big disconnect between the functional assessment that was being done and the medical or health information that ought to have been there before the assessment was done. I would say that in order to do a full assessment you need both the functional assessment and any relevant medical material. Often that had to be asked for, delayed things and was unsatisfactory.

Q15 **Chris Stephens:** Do you think there is a public fear of target-setting for failure rates in such assessments?

Dame Carol Black: I do not know whether the public fears that. I do not know; I have never seen any evidence that they fear that. I think it is a very personal feeling of the person who has to cope with the assessment. I genuinely do not know the answer to that.

Q16 **Selaine Saxby:** Thank you for this morning. What improvements should the Department for Work and Pensions make to support its offers to unemployed disabled people via Jobcentre Plus and what do you think the role of healthcare professionals should be in supporting those people to stay in work or to enter work?

Dame Carol Black: Perhaps if I took it the opposite way around from which you asked me the question. We all would agree that for you to go to work is a combination of having sufficient health to be in the workplace and there is a level of health below which if you fall it is extremely difficult to go to work. Therefore, I think as a baseline factor if you have a chronic condition, the better your healthcare, the better your condition or disease is kept under control, the more likely you are to stay in work. This is a combined effort.

As far as the employer is concerned, as far as health is concerned, anything the employer can do to maintain the health and wellbeing, physical and mental, of a worker, whether they are disabled or not, is very important. I call that public health in the workplace.

As far as the Government and jobcentres are concerned, I think there has been a genuine effort to provide work coaches who are better informed and disabled officers or individuals. I have forgotten, but I think they were aiming to get up to 800 people who were employed specifically to support disabled people. I think that type of approach is helpful.

One of the most hopeful signs is the DWP's support for IPS, Individual Placement and Support. They have invested in trials. Those trials have been in Sheffield and the West Midlands, and I have been very involved in the addiction trials that have been in many centres around the country. It shows that if you really do go down the case-managed individual personalised support route, you get a surprising number of people who are able to pick up employment.

That personalised support is more than a work coach would have time to do, so I believe that is something that as the results of those trials get published, I hope later this year, there will be a desire to see those rolled out. I think more work coaches in NHS IAPT services are very important in that link-up there between work and health. They are some of the ways, and Government can support people to either stay in work or get back into work. The Access to Work in a way is a scheme to enable people to stay in work.

Q17 **Chair:** Dame Carol, the IPS trials you mentioned there, has DWP undertaken those?

Dame Carol Black: Yes, they have invested—and I hope I have the correct figure. I think I remember from my reading their total trial programme is something like £93 million. That is not all IPS trials, but I think of particular relevance is that they have trials in common mental health problems, musculoskeletal problems or other common health conditions. I think they are distributed between Sheffield and the West Midlands and we have had these other trials in different parts of the country in drug treatment centres. It has been amazing to me how individuals who have been troubled by addiction for maybe 15 to 20 years who are in treatment with the right support can feel empowered enough to want to seek and to get into work.

Chair: That is very interesting. Thank you. Shaun Bailey was next.

Q18 **Shaun Bailey:** Do you think at present the structures that are in place that focus on disability, thinking particularly about the role of the Disability Unit, are going to be able to meet the Government's target of achieving one million disabled people in work by 2027?

Dame Carol Black: Do you mean the new Disability Unit in the Cabinet Office?

Shaun Bailey: Yes, in the Cabinet Office.

Dame Carol Black: They are about to publish a strategy?

Shaun Bailey: Yes.

Dame Carol Black: Hopefully. It is a very big target, isn't it? If you think where we are now, disabled people have suffered I think more than non-disabled people as a result of Covid both in the hours that they are working and in job loss. Again, it is a target. Nobody could have foreseen Covid and would we have reached it even without that? It is a very big target.

Q19 **Shaun Bailey:** One of the debates we have had is about how the Government's response in terms of supporting disabled people back into work should be driven. Do you think that should be driven by one Department? Do you think that should be a cross-departmental approach? The debate at the moment seems to sway between one Department or a multi-departmental approach to tackling this. From your perspective, what would be the most effective way of ensuring a robust response on this?

Dame Carol Black: For me it would be at least three Departments and those Departments would be Health, DWP and BEIS. There may be others that you would need. I think this is just another of those horrid, wicked problems. I am doing a review on addiction for the Government at the moment. I need six Departments of State to work efficiently together. I do not know of a system and I wish somebody could devise one whereby it enabled Departments to work together, both people-wise but financially, and not feel they are disadvantaged.

If you take the Department for Health and getting people back into work, as far as the Secretary of State in Health is concerned they are not going to see the results of that for their Department. It is probably going to maximally benefit DWP. That should not matter, but the way it seems to me—and you will know better than I how Departments in Government are devised—it makes it extremely difficult for Departments to work closely together and continue to work together and for the money flows to work properly, but it obviously needs that.

We have the Work and Health Unit. Before that was set up, I was a very strong advocate of that and I kept arguing that it needed BEIS in there as well. How do you get the levers right to enable those Departments to

work together? It just might not be their maximal concern and I do not know of a system, but it is not just this problem. I think that this needs to be solved with some other pretty wicked problems and until you solve it, it goes on ups and downs and various enthusiasms, yet it is so obvious once you start to work in this area that this is a cross-government issue that really requires a sustainable cross-government effort that is not dependent on party politics.

Q20 **Shaun Bailey:** That is a really interesting point you make there, Dame Carol. One of the suggestions that we had as part of the inquiry for how to drive this forward is to almost place the Government's new Disability Unit as the main driver and then directing traffic between those Departments. To me that potentially sounds like, in terms of combating that departmental competitiveness, a way to do it. I do not know what your thoughts would be on that.

Dame Carol Black: I do not know the answer to this. Does that Disability Unit have the power? Would it be able to tell the Secretary of State in the DWP, "You're not contributing enough"? Again, I think things sit in the Cabinet Office. If they are going to be there I want them to have sufficient levers to be able to do the job, because it sounds a very sensible idea but have you given them or whoever has created it sufficient powers and capability to do this?

Shaun Bailey: Okay. I have a few more to come on to later, Chair, but I will leave that there for now. Thank you.

Q21 **Steve McCabe:** Good morning. I want to ask a little bit about the question of evidence. As I understand it, the DWP has said itself that it does not really have enough good evidence of what works in terms of getting disabled people into work or staying in work. Is that your view and what do you think is the evidence that we need? Where is the biggest gap and are there any good international comparisons that you would draw our attention to?

Dame Carol Black: I think that is a very important question. I do not think the evidence is strong enough in this area. It is a few years since DWP did a good review internationally, but even when they looked internationally I do not think there were any things that stood out as being evidence based in the way that would satisfy you, that you could say, "This is definitely going to work". Of course, they did talk a lot about the Dutch system. I think there was some evidence at that time on coaching and support for people.

Again, to get that evidence either DWP itself has to be doing the research or we have to have that capability within universities and institutions. I think it is only more recently that more research money has gone into the health and wellbeing workspace and probably not enough into that space that supports research into disability and work, and then you have to have people who find it an interesting area to research on. In the sorts of areas I have often thought about, and I have not looked at this in any

depth recently, I always find it quite frustrating that you could not link up easily big data sets across Government.

To give you a practical example, linking up health data with DWP data, which is often so necessary. If you needed to know with any disability or any aspect of disability the health information and link it with appropriate walls and controls with DWP data, that always seemed immensely hard to do. Until you can start to link your data again you cannot really move forward.

The other area in terms of disabled people is that a lot of them find it very difficult engaging with the system. It is a difficult thing and again this is perhaps slightly softer, fluffier research, but do we spend enough time really understanding why people find it difficult to engage and participate?

It is an area where I know there is a movement from some professionals to try to set up a virtual research institute. I recommended in part 1 of my first review that the Government should invest in that. At that time we were changing Government from a Labour to a coalition Government and it never took off. It is certainly an area worth looking at.

Q22 **Steve McCabe:** Specifically, people with mental health problems appear to represent quite a high proportion of those who are trying to get into work and keep in work. From your experience, what do you think are the key things we need to do to support people with mental health issues to get into work or stay in work? If you were to offer a couple of obvious things that we could do, what would you recommend?

Dame Carol Black: First, you need to decide whether they are common mental health problems or the more enduring ones because they are rather different. If it is common mental health problems it is really in the employer's ballpark to know their employees, know, therefore, what sort of problems they have, and to make it obvious that having a mental health problem is not a barrier to progression at work.

Some of the very best things happen when a CEO or a senior executive talk about their own mental health problems. It starts to take the stigma down, to make it quite clear that help is available, you can talk about it, that there will be activities within the workplace that enable people to talk about mental health. Above all, I think, is to have your line managers mental health competent. You might want to put in mental health first-aiders, some peer-to-peer support, but it is much more about organisational culture for the common mental health problems.

For people who have enduring mental health issues such as schizophrenia or bipolar disorders, that really does require extra support. I loved the idea that BT had many years ago. They had a passport for people with enduring mental health problems. You did not have to keep saying what your problems were. You had your passport, in which you had agreed with your manager what the things were that supported you when you

felt you were going off, you carried your passport and you took it if you changed departments. I like the idea of that person not having to keep justifying what would help them.

It is really organisational structure and culture that would get rid of so much of the common mental health issues. One other thing I think is going to be of increasing importance is providing support for financial wellbeing, because most people who have financial problems are worried stiff, anxious and depressed, and there is lots of stuff that you can do that does not require a lot of money but requires people to be well trained.

Steve McCabe: That is very helpful. Thank you very much.

Q23 **Neil Coyle:** This links back to your earlier comments as well, Dame Carol. BT stands now as a good practice example simply because there is not enough generic good practice across all large employers. Do you think that organisational cultural shift of management systems and processes will improve without a duty on larger employers that is about protecting the state from having to take on the cost of someone leaving employment and better protecting people in work?

Dame Carol Black: There is good and growing evidence from the What Works centre for wellbeing that if you do not want to do it for any other reason, it supports your bottom line. Okay, if that is what the finance director demands, but there is very good evidence for that now. An engaged person who has good mental positive wellbeing will be a better worker, will be a safer worker.

I think people forget that to be a really safe worker, especially those people in industries where that matters, you have to have people with a sense of wellbeing. I think you can for some people use the business case. I always remember Paul Litchfield, when he was head of occupational health and indeed medical director at BT, said to me he did not have to convince the board financially. They just said, "We know it is the right thing to do". Now, not everybody will do that, but my biggest worry is how you enable small companies to do this.

Q24 **Shaun Bailey:** I wanted to touch a little bit on the National Strategy for Disabled People in the Green Paper. What would you hope to see in those papers as a priority?

Dame Carol Black: Goodness me. I hope that in the Green Paper are the areas that DWP has spelled out that they were going to give attention to. Again, I do not know what they are going to say about SSP, but it was an area I hope we are going to see some thinking about. I hope they are going to do further reform of the fit note.

I would like to see non-medically qualified people able to give a fit note. I think maybe the first fit note should be given by a medic, but after that in well-defined conditions I would love to see more involvement of allied health professionals. I very much hope that we are going to see a real

chunky piece on what they want to do with occupational health. Although I think that they will expect employers to do more, I hope they are going to think very much about how they support employers to do the right thing.

It is so long since the consultation came out I cannot quite remember what else we were consulted on.

Q25 **Shaun Bailey:** If I can follow up with one other question, an interesting point that I have noted is around the need perhaps to match up the needs of disabled children and young people. I think sometimes when we have these discussions we frame this employment gap as very much an adult-only focus, but one of the things we have noted is the call for a more joined-up approach with the experiences of young people in particular in order to try to plug the disability employment gap.

I am curious to get your thoughts on that and whether or not if we were to intervene earlier perhaps or as part of the process in the Green Paper this would have a positive effect on full inclusivity in the workplace.

Dame Carol Black: I think it is very easy for young disabled people to fall foul of the workplace. Again, I would not say I know; I cannot tell you in detail what is done specifically for young people at the moment, but I do know, wearing a medic's hat—because I used to work with young people making that transition with rheumatic conditions—it does require that there is full support, so that their education and training needs and their aspiration are met. People do not want to be defined by being disabled and special attention needs to be made at that very difficult transitional stage to make sure that young people have all the opportunities they need. It is so easy for them to be left aside.

As a comparison, I have been looking at young people and addiction. They do worse than adults in terms of treatment and recovery. There is a gap and nobody intends there to be a gap, of course, but I think some special attention to that would be very welcome.

Q26 **Chair:** Dame Carol, thank you for that. That concludes our questions. You were just referring to your work on addiction. When is that due to report? When do you think you will conclude that?

Dame Carol Black: I think—and please remember, Stephen, it might slip a month—the late spring. We are in the very final stages. We have had to do the whole of part 2 virtually, of course, but it is a very different form of chronic disability, one that in the last 10 years has really not been treated well, perhaps, would be the kindest thing I should say.

Chair: Thank you very much indeed, Dame Carol, for giving us the benefit of your expertise based on a long period of engagement with these very important issues. We are grateful to you. Thank you very much.

Dame Carol Black: Can I stay for a moment or two?

Chair: Of course, you are most welcome.

Examination of witness

Witness: Joshua Reddaway.

Q27 **Chair:** We are moving on now to our second witness, who has been with us throughout this session. Joshua Reddaway from the National Audit Office, a warm welcome to you.

I will start the questioning by quoting back to you something the NAO said in 2019 in its report on this subject. It said, "The Government's goal of 1 million more disabled people in work from 2017 to 2027 cannot be used to measure the success of its efforts". That was your conclusion at that time. Why is that a problem, do you think? What sort of goal would the NAO like to see in this area?

Joshua Reddaway: Thank you very much for inviting us to give evidence on this. Yes, that is right, that is what we concluded in the report that we did on supporting disabled people to work in March 2019. The first thing I would want to say about that is I am sympathetic to the Department and the Government in the sense that, first, this is a difficult thing to set a KPI, or any KPIs really because we are probably talking about many more than one if you really want to understand this.

The second is that I think we can all understand why the Government wished to make a big political statement and ambitious goal in this. We talk about big, hairy, audacious goals and I think that is what they are attempting to do in this space.

We have a number of issues with it. That is fundamentally because the Department has been—yes, it started off as a manifesto commitment. You have the 2015 manifesto commitment to halve the disability gap, you have the 2017 manifesto—

Q28 **Chair:** Do you think that was a better target, that earlier one about halving the gap?

Joshua Reddaway: No, not necessarily. Yes, but only slightly and I will come on to that. You have to understand what the problems are.

You have set this political target. Technically, it is calling it key line indicator 4. It reports on it in the annual report and accounts. It is part of the single departmental plan. The Department has been using it as if you can judge its performance in the space by that. That is where we think there is a problem.

The first is an issue of measurement. This is based on the labour force survey, and the labour force survey asks people if they are employed and it asks if they have a disability. They are judging that based on the 2010 definition, which is a social barriers definition of disability. So, do you have a medical condition or a health condition, an illness, that has lasted 12 months or will it be expected to last at least 12 months? Does that create barriers to you in your day-to-day activities? What you see in this

survey is that over time the number of people who have responded "Yes", they are self-defining as disabled, has gone up year on year.

What is interesting is that it is only people who are in employment where that trend has happened. There has been no similar trend in people who are either unemployed or out of work. What you have seen is this gradual increase in people in employment. In fact, it is pretty staggering numbers.

It is perfectly possible that what is happening there is that there is a general increase in disability in our society. That would not necessarily be a good thing because we have social definition and what that would mean is more people are saying that they are experiencing barriers. It is perfectly possible that there is an actual increase in disability and that everything the Department is doing completely offsets that rise and is ensuring that that is only happening in employment. The Occam's razor argument here is that it is more likely that there is something going on in the workplace where more people are willing to say that they are disabled in greater numbers. That certainly matches my own experience of this in my workplace and my personal experience of this.

That is a measurement issue. What are you measuring? It sounds like you are getting a million more people into work but you are not measuring any getting, you are just measuring how many people are self-defining as disabled in the workplace.

The second issue is attribution. Attribution here is whether or not it is anything to do with the Department. The Department starts off by saying, "We admit there is this whole range of things that we are not doing that we need to do". You have the consultation in 2019 that we are still expecting a response on, on occupational health. Carol Black was talking about it in some detail. You have all the things that they should be doing. The one I would throw in there is perhaps education and how the education system can do that.

You have quite good improvement in the relationship between health and DWP through the health work unit, we found. Fundamentally, what DWP spends most of its time doing is either administering benefits or supporting people who are on benefits to find work. It is a very narrow part of this problem. It is an important one but it is a narrow part.

To say that there is something going on in this outcome as a way of judging that by itself we think is difficult. Frankly, the issue about the 1 million target is that it looks a lot like there is a general increase in employability and employment running up to the pandemic and there may have been a rising tide issue. The benefit of the disability gap is it controls for that but it does not control for any of the other attribution issues. It doesn't mean it is a bad thing to monitor, I am just saying you cannot judge DWP alone by it.

The third issue is, if you posit for a moment that the first two issues are not that much of problem, whether or not it is a big, hairy, audacious target. It is not for me to judge as an auditor what the policy should be, but when we spoke to officials they were incredibly keen to emphasise that they saw this as an area they wanted to see a step change. They knew that is what Ministers wanted and that is what they wanted.

They argued strongly that we did not represent this as an area where they were happy for there just to be a continuation of what was going on, that they wanted to see that step change. Their target for 1 million extra—they had already attributed an increase of 930,000, by the time we did our report, in the last five years.

What they were basically arguing for 1 million was that they would sustain the current rate at about half the increase that was already going. If we fast forward three years—let's not take 2020 into account because things have happened—right up until before the pandemic the stats gained 800,000 in. That is, in a 10-year strategy, the first three years they have already achieved 80% of what they said they would. You have to judge for yourself if that is indicative of the step change.

In their defence, I think they would like to see it sustained over the economic cycle, so we have to see what happens during Covid as well for that. Those are our three things.

Q29 **Chair:** Very interesting. About the time that your report came out, Amber Rudd, the then Secretary of State, said that the Department would review the goal to make it "even more ambitious". Do you know the outcome of that? Is there a way of measuring this that you would urge that the Department ought to adopt?

Joshua Reddaway: Whether or not it should be more data on it is a political thing that is not for me. My understanding is that it very much had its eye, when we were doing our report, on the 2019 SR, which did not happen. So then it had its eye on 2020, which did not happen. I suspect that it still has its eye on the 2021 SR and what will come out of that.

In terms of how it is measured, we think it is a range of things to do. Fundamentally, it needs a theory of change. I am sorry to use that kind of jargon. What I mean by that is they need to be clear how they believe their inputs and their outputs relate and literally how the outputs to the outcome relate. Again, what I mean by that is they have all of this activity, all of these things they are doing, and they do not really know how all of that adds up to what it is they are trying to achieve. If you cannot explain that, even a theory or hypothesis for that, then it is not clear what you are measuring or what you are trying to demonstrate.

What we would like to see is a whole range of bits of information that makes clear what they think the different contributions of different people are, different Departments, employers and so on, what the outputs are

and then how that all contributes to the outcomes they are trying to achieve.

It did do one ad hoc statistical bulletin on this in 2019 following our report. I don't think that quite met that challenge because it describes the outcome in more detail, which is a good thing. It was promised it was going to be annual but it seems to have only been a one-off.

I think there is much more they can do here. The challenge for it is, and this is why I am sympathetic, I do not think you are going to find a single KPI that could possibly translate what is a really difficult issue to understand: the diversity and lived experience of people with very different conditions in experiencing barriers.

Q30 **Steve McCabe:** I want to follow on from that slightly. We have heard earlier the Department does not have much good evidence about what works. I think your own report said that one of the problems is that it frequently underspends on disability programmes because it regularly overestimates the likely uptake.

Apparently, it does not make a great deal of use of customer feedback in monitoring or learning about the effectiveness of its programmes. How should it plan its spending in terms of taking account of these things? It seems extraordinary that we have such a mismatch between the estimate for take-up, the actual take-up, and no ability to learn from that over a period of time. What should it do?

Joshua Reddaway: There are quite a lot of different aspects to unpack in that question. I will just take that issue of low take-up, what is going on and why first.

It is true that it tends to say it is going to have this number of people and it does not necessarily get that. That happens in quite a lot of these discretionary areas. We have to bear in mind financially for the Department what is going on now is it is underspending on these programmes but it is only just coming in on budget overall as a Department over the last 10 years.

What you see is an announcement it is going to do this and then it ends up subsidising spend or lack of efficiencies being gained elsewhere in the Department. It is quite good at managing the budget that way. Why do they underspend on discretionary stuff? It is probably due to the voluntary nature. What the Department said in consultation and what the Social Security Advisory Committee has concluded is it is a matter of trust. Why aren't people taking up the support that the Department wants? Possibly linked to worry about benefits, possibly linked to whether they believe the support is any good, I don't know, but that is the environment that is happening in.

I will try to answer your question of what it should do.

Steve McCabe: I would appreciate it, yes.

Joshua Reddaway: I wish I knew. What we think it should do is—on one hand, you say it does not know what works. We said this in the report, we are disappointed because the Department has been doing this for 50 years. On the other hand, we acknowledge that it is difficult to do, to understand what works.

It had been investing quite a lot in gaining new evidence. Carol Black referred to some of the things it was investing in. It allocated £100 million between 2017 and 2019 on additional research. That includes randomised control trials, which are fairly rare in social policy areas, but much more common in medical settings. It is trying to get a high bar but the high quality of evidence that it is aiming for.

We thought that was a good thing, that they are investing in that. One of the things I would expect the Committee to be interested in is what has happened to that investment in evidence because we were expecting a flurry of things to have been published in the last year on that and I have not seen any of them being published. I am sure you will want to pursue where all of that evidence is at the moment.

That is not the only information, though. In the absence of knowing concretely from RCT that something happens, you still need to capture all the evidence you can about what is working. We found a mixed picture there. It tended to be better at that in the newer stuff. You mentioned customer feedback. That is one we wanted to highlight because it does not make sense to me why, where you are trying to provide support to people, you are not getting the feedback—and you would treat them as a customer—that you would want to get, feedback as to whether or not they thought the support you were providing them was any good. It does not ask that.

It engages with forums, and you will have seen the Social Security Advisory Committee has just published how they are consulting with disabled people at the moment, but it does not treat them like a retail customer, if you like, and get that quick feedback on: you have just met your work coach; was your work coach helpful? It does not know any of that and it does not really get feedback on—

Q31 **Steve McCabe:** Do you think that is down to a lack of rigour in the original planning or is that some sort of cultural hangover that says, "We know best and it does not matter what you think"?

Joshua Reddaway: I suspect it is cultural. We have to remember that the Department's entire approach here—you have Access to Work and disability, which is aimed at employers. The rest of its approach is aimed at people in the benefit system. A huge part of it is people on Universal Credit, and at the centre of its approach is the training commitment and the work search review.

We identified around 600,000 people who the Department believes have a disability and are being asked to search for work. I am not sure that

number would have changed that much. You have to agree with the Department what work steps you are going to do, what training, what support you are going to have, and you will be visiting weekly or fortnightly for 10 to 20 minutes to have a conversation about that. The work coach's job is ensure that people get the right support and to tailor the right package for them.

Of course, what you have there is the challenge of all of the culture and all of the side that is about benefit administration and no one here to help. This is all about tailored, personalised support that it emphasises. That is important to understand because that is going to define not only for disability but the Department's approach for the current recession and unemployment.

We are asking an awful lot of that work coach to overcome issues around trust, gain a trusting relationship in 10 to 20 minutes a week with someone, overcome all the prejudices they may have about, "Are they only doing this to cut my benefit?" or whatever that prejudice may be, and direct them to the right social support.

Q32 **Steve McCabe:** That is very helpful. When you describe it like that it sounds a bit like "Mission Impossible".

One last point. The National Audit Office said in its last report it was not possible to say whether the Department was achieving value for money. Given the amount of money we are talking about that is extraordinary, or sounds to me extraordinary, what would you recommend it does so you can make that judgment in the future?

Joshua Reddaway: It depends on what the question is. One of the reasons we have been fairly critical in that respect—to be honest, the Department is fairly disappointed in our conclusion there because it would point to the good things it is doing. We would say we only judge you by your own standards. The standard it told us was it wanted to see a step change. We cannot say that it is achieving value for money in achieving step change unless it has an implementation plan, the support of all the other Government Departments, and can show that theory of change and that what it is doing is going to lead to a change.

If it says it is going to do a step change, we are going to judge it on doing a step change. If it said, "We just wish to provide the same comfortable stuff we have been doing for a very long time because we think it works and it is appreciated by disabled people" then we will judge them on that ambition. I am afraid that would be a much lower level of ambition and the amounts that you would spend in terms of overlay would also be proportionate to that.

Does that help? What we would expect to see for step change is harnessing the best evidence they have, having an implementation plan, working with others and treating it as a social transformation, if that is what they want.

Q33 **Chris Stephens:** Good morning, Joshua. You had expressed concerns about the Department not having enough evidence in time for the next three-year spending review, which was obviously due in 2019. Everything has changed since then. Given that the spending review was delayed from 2019 to November 2020, to what extent do you believe the Department was able to gather the evidence that it was seeking to feed into that review?

Joshua Reddaway: We set out a note in figure 12 to look at the level of valuations it is doing. It is worth just noting that my understanding is that all of these have proceeded and it has continued to gather the staff. There has been an impact of Covid on what is going on in 2020 because it turned off the conditionality regime for a bit, referrals went down and so on.

I have not seen any of these published, so the things I think we should be asking about are where the interim results are on the Work and Health Programme; the interim results on the Intensive Personalised Employment Support programme; the final results on the placing of employment advisers into the NHS's Improving Access to Psychological Therapies service, the IAPT service; the interim results on substance dependency, individual placement and support; the final results of the Work and Health Unit Challenge Fund; the final results in the West Midlands wellbeing project; and the final results in the Cornwall and Isles of Scilly local enterprise partnership Beacon project.

That is just to read out some of the long list of evidence we were expecting to have been published. I do not know where that is and I am hopeful that your Committee's inquiry may be helpful there.

Q34 **Chris Stephens:** A very comprehensive answer there. Is there an ongoing review of international evidence to identify the strengths and weaknesses in the evidence base, which is something the National Audit Office has asked for in the past?

Joshua Reddaway: We asked the Department what it had done and it pointed to the same international evidence that Dame Carol Black was just referring to on this. We set out in the report where that was strong and where it was weak. It convinced us it had done a thorough review. It had not identified anywhere in the world that was significantly ahead on all this, with the exception of the IPS, the individual placement and support.

The difference between individual placement and support and all the other stuff it does is you get somebody into a job and then you give them the support while they stay in the job, whereas the others are generally supported and helped to get into a job. That is much more intensive and more expensive to do. There is very good evidence that works in different contexts and, as Dame Carol Black was referring to, there is starting to be evidence in the UK that it works for the specific areas that we are targeting as well.

What I most wanted to see from the Department on this was a bit more acknowledgment about what the evidence gap was. It kept saying there is an evidence gap, but it is not very good at explaining to a lay audience or even researchers outside of the Department what the research questions are that it is interested in. Where is the evidence gap specifically?

The Department has quite a big research budget and a lot of analysts and they do some excellent work, but I do not think they convinced us they were talking to external organisations that could support them in filling in some of these blanks. That is why we set out in our recommendation that we wanted to see a better dialogue and explanation of what the gaps were in its knowledge and what it wanted to be filled so it could work with others on it.

Q35 **Chris Stephens:** One of the concerns we would have as a Committee is that your report has found that the Department continues to underspend its budgets, especially with voluntary programmes. What are the implications of that?

Joshua Reddaway: First, it is not helping as many people as it said it would. Secondly, I have heard reports that it also affects the commercials of those contracts where they are contracted out. Are those sustainable and phased money when they do not have the volume going through them?

As I was just saying, I do think that the Department manages its budgets at a group level and what it has generally done is underspent on these discretionary areas and that, by implication, must be overspending elsewhere or not getting efficiencies it was expecting. It has generally been useful for the Department financially to understand in some of these areas, but I am not sure what it would advocate.

Q36 **Chris Stephens:** This is my final question. You have touched on overspends. We hear regular reports in the media of overspends in infrastructure projects and underspends in social projects. Is there scope to have a more ambitious spending target and promotion campaigns for disabled employment projects so it can cancel out these underspends in the future?

Joshua Reddaway: Yes, there are. I was just listening to the evidence about Access to Work and referral to Liz Sayce's comment of the hidden secret of it. This was one of the things we were looking at on Access to Work, which is that this is a demand-led grant so the Department has no budgetary total. It does not have a cap on how much it is going to give on it. It has seen an increase in recent years as it has been marketing it more and I expect, frankly, if it would put more marketing into it, it would probably see an increase in demand on it.

The other areas, though, as I was explaining, are so much down to work coach referrals. One of the trade-offs the Department was making over

the last few years, at a time of high employment, was to put in place these randomised control trials, which we were endorsing—saying that is a good idea to get the evidence here. What that means is you need a control group and the group that you are going in. You are halving the number of people who you are putting on to the support.

That made it quite difficult for them to find the people in the volumes that they were expecting to go through it, bearing in mind that you have to have this combination of a work coach recommending it, the person saying yes, they want to do it, then referring it and then being allocated either to the control group, which could say, "No, I'm sorry, we cannot offer this to you" or, "Yes, I am pleased to award you a place, please phone up at this place and time". Does that answer your question?

Chris Stephens: Yes, it does answer the question. Thank you.

Q37 **Neil Coyle:** Thanks for joining us this morning. You touched on the implementation plan previously. Back in 2019 the NAO reported the Government's 10-year strategy had no implementation plan. As we approach the four-year deadline into that decade, is there yet a coherent implementation plan to help meet the Government's target?

Joshua Reddaway: No.

Q38 **Neil Coyle:** Thank you. You have made a very valid argument about KPIs being quite difficult for a strategy and target of this sort, but back in 2019 you recommended a robust set of performance indicators that reflected each Department's performance were set up by DWP, including delivery forms across Government and clear accountability, for example. Is there at least identifiable progress towards even trying to set performance indicators to help make progress?

Joshua Reddaway: Not that I am aware of. I remain optimistic that the Green Paper, the response to the consultation on occupation health, that we are expecting more widely in this space and the disability strategy, all of which are expected to be published imminently, will be the answers to these problems. I guess your follow-up would be: what do we expect to see?

Again, from an NAO position, I am neutral as to what government policy is, but whatever that government policy is, if it is for a step change in this space, we would want to see clear articulation of everything the Government are doing and everything they expect other partners, employers, health settings and so on to do—and what they expect disabled people to do—and how that all adds up to the change they are doing. Thus, in terms of measurement, I would want to see them measuring the different aspects of that so that you have both an awareness of the outcome and the outputs. What are the outputs that are happening? Is that contributing in a way they expected to do that?

I don't think it is that dissimilar to—we have just published a report on the Government's attempts to achieve carbon net zero, which is also a

grand strategic objective. There is that there. It is going to require lots of work from lots of different Government Departments. It is going to require changes throughout places, and we have called for exactly the same thing there, which is having clear articulation of who is going to be doing what and a performance measurement of those individual bits and how that adds up to the overall thing. The other thing we have called for there is monitoring the interdependencies between those different things. That is also something we would hope to see come out in the disability space as well.

Q39 **Neil Coyle:** Obviously, we have had the 2019 election and the Covid interfering with timelines, but when was the Green Paper first promised, do you recall?

Joshua Reddaway: It is quite clear that it was promised in the 2017 Improving Lives that there would be a follow-up. It obviously was not meant to be in 2017, but I think we were expecting something to follow not long after our report came out, so either 2019 or 2020.

Q40 **Neil Coyle:** This is my final question on this. Do you think, Joshua, that this can be achieved without an implementation plan that includes clear ownership?

Joshua Reddaway: Again, it comes back to what this is. If it is seeing a rise in the Labour Force Survey, then yes, I do believe it can be achieved without an implementation plan. If it is a step change of the sort that officials told us they wanted to see, that the Department was working for and that Ministers wanted, then no, I do not think that is achievable.

Q41 **Debbie Abrahams:** This is a very quick one, Josh. I have found your evidence absolutely fascinating. At the inquiry that we had last year about Covid and how this was affecting employment we had some anecdotal evidence at the time that disabled people—an indication and, as I say, anecdotal—were being particularly affected. We now know from today's report that people of colour have also been disproportionately affected in losing their jobs. Do we have any more reliable evidence about how Covid may affect disabled people in work?

Joshua Reddaway: I am afraid I don't. I am limited in the areas that we have done audits and I am afraid I have not done anything on that.

Debbie Abrahams: Thanks anyway, Josh.

Q42 **Dr Ben Spencer:** Thank you, Josh, for your evidence and coming back to talk to us again today.

I would like to pick up on some of the earlier points and also a follow-on from the previous evidence you gave this Committee around systematic data collection by the DWP. In your 2019 report you expressed concerns that it did not have the data it needed for a full understanding of jobcentres providing services to disabled people. We have spoken about the way the Department needs a more systematic approach to data collection, particularly for claimants who may have additional needs. Why

do you think the Department is struggling to collect this data? What changes do you think it needs to make?

Joshua Reddaway: We listed out quite a few areas that we think it needs to improve data on. This has become a bit of a theme, hasn't it, in NAO reports and evidence given before the Committee? We also rated it on the 2018 report that we did on Universal Credit and our 2020 report on Universal Credit as well.

It might be helpful to think about data in three areas. There is a conversation we had previously and you reflected in your report on getting to first payment around identifying who is vulnerable. We talked about flags and pinned notes of that type. You covered this quite well in your report on it.

I think there is a particular issue with disability in that the Department is monitoring people on what it calls the health journey, so people who have applied for Work Capability Assessment, which is a different definition to the one in the outcome that it is trying to achieve, which is the 2010 definition and which is self-defining as disabled. They are very different. The Department's systems are just not capturing the people who are self-defining or any personal characteristics adequately of their claiming base. That is a problem.

The second thing that we highlighted in the report is the immaturity or lack of maturity of the management information being used to run Universal Credit. In theory, Universal Credit will have one of the best MI environments that we have seen because of it being fully digitalised and the benefits of transformation. We saw that in how it managed timeliness. The level of sophistication and good standards of management that we saw there is something that we do not see very often in government. It is an absolute pleasure to see, the way it used data there.

It has the data; it is in what is called a data lake. The problem is there is so much data that it is not information. It needs to be able to extract it and use it in a useful way. That is what it needs to work on there.

Then there is a third area of data that it needs to work on, and that is what happens in the jobcentre. That is not captured automatically by the Universal Credit system. It is not a matter of not being mature in how it uses it yet, it is that it has purposefully decided to not have a management information culture in the way it manages jobcentres.

It told us that it now recognises or has started to recognise all of the criticism that people were placing on them previously about being too target driven and concentrating too much on offloads and not enough on providing personalised, tailored support to the individual. When we were in jobcentres and looking at what work coaches were doing, we totally got that and the way work coaches were providing that.

Our concern was that it does not have the assurance environment, using management information, that we would expect to ensure consistency of approach and high quality or to do the test and learn and trying what works. What it was asking in terms of data it had collected from work coaches was of such a lower order of magnitude compared to what it was asking for contracted-out services as well. If you are referred to one of the partners in the Work and Health Programme, there is a whole host of management information on people going through that journey, but there is no information for people who are not and how that goes.

What it says is that it ensures quality by personal observation of line managers and so on. We said you cannot possibly ensure a national consistency of approach or deal with some of the difficult challenges that disability has through personal observation of line mangers without management information or quality being built in.

This was a problem after our report and was picked up by the Social Security Advisory Committee, partly because we referred it to this section of our report and explained the issues given. It did a dip sample of 150 claimant commitments and confirmed there is a problem here—I strongly recommend its report—of a lack of consistency, of claimant commitments being made that are not legal because they place an obligation on the benefit claimant to take a medical.

It might just be as innocuous as, "Please take your medicine" but that is not right for a workplace to give that sort of advice. There was also a lack of confidence in workplaces in dealing with specific medical conditions. How can you deal with all of that? It endorsed our recommendation that there needs to be a framework into which those sorts of things happen and there needs to be some monitoring of that.

The only other thing I would add is I think this is vitally important for disability, and I am also worried about what is going to happen as we move into—at the moment the Department is not yet doing everything it expects it will be doing at the end of the year on general unemployment. It is gearing up for a big rise in unemployment and gearing up to provide a lot of support—not just for disabled people, but across the piece. This problem is very acute for disabled people but it will apply across the piece.

Q43 **Dr Ben Spencer:** Thank you for such a comprehensive answer. There are two questions that immediately jump into my head on the back of what you have said. You have pointed out the Department has a lot of data analysts. Does it need to bring in external data analyst support to look through its systems from the bottom up, looking at how it can be made better in terms of that systematic data collection?

The other question I had is clearly there is always going to be a tension between providing very personalised, caring care, for want of a better word—there is always going to be qualitative data that you are bringing in. I am just thinking about my experience in looking after patients and

recording things on the electronic patient records. There is a tension between that versus a tension between systematic data collection around characteristics and measuring outcomes.

Are there other areas or other organisations that you think the DWP could learn from for overcoming some of those tensions? I am thinking of the NHS, for example, but more broadly, is there an opportunity to learn from other sectors and the challenges they are facing?

Joshua Reddaway: To your first question, do they need to bring people in, I have absolute confidence in the analytical community and the level of expertise that I have seen in the Department. I see the timeliness as a good example of that. What I think it needs to do is agree that it wants to change and, secondly, it would need to prioritise it. Prioritising it will be very difficult in the current context because there are so many other priorities and the Department is going to be very stretched as it builds through this recession.

With other organisations, I think one of things that makes this slightly different is that Universal Credit is a digital transformation and not very many parts of the public sector have gone through that yet. We are judging them based on the possibility of what they could be in this space. When it comes to what is going on in jobcentres, I think your analogy is apt and understanding it is very difficult to trade off those different things. I do not think you could ever expect it to be perfect.

We all recognise the perverse incentives that a target regime can provide, although I think it is just one too far because we are not advocating a target regime, we are advocating collection of data to understand what is going on. When you get rid of a target regime and the culture of targets you do not necessarily need to get rid of all of the management information that you had. One of the first places that I would say to look to for the management information to collect is themselves five years ago.

Dr Ben Spencer: Thank you, that is very helpful.

Q44 **Neil Coyle:** Jobcentre advisers are supposed to understand the people they see and understand the systems and support available to everyone they see. Obviously, for disabled people that adds a huge amount of complexity, both in terms of understanding the impact of an impairment and the different benefits that might be available under Universal Credit on top adding additional complexity. Do you think work coaches currently have the capacity, support and training they need to help disabled claimants move into or progress within work?

Joshua Reddaway: What we said in our report is we tried to find a way of encompassing this and it did not feel very audity, our conclusion, but it was that work coaches can only do so much. We have to bear in mind certainly the dependence of the entire system on work coaches getting this right and the fact they are going to have a very limited time to do so.

The work coach gets to decide how often they meet people and how long but it is typically going to be 10 minutes a week, unless the work coach decides it is longer. The grade is executive officer, so it is roughly the equivalent of graduate entry into the civil service. We are not talking anyone with a professional qualification in coaching or in disability or support. You are asking an awful lot of this cohort of people.

The second challenge is a doubling number, so they are also going to have at least half of them without much experience of being a work coach, and how they are going to deal with that is a huge challenge the Department faces.

Having said that, we were very impressed with the work coaches we did meet and what we have seen them do in jobcentres, and the level of dedication and desire to help and provide support. We were very impressed with some of the changes that were going through. Certainly, in conversation with them, they felt that they were not necessarily getting the training they needed. I suspect that lots of people in that situation would argue that.

But they all felt that the support they were getting from disability employment advisers—which was a relatively new thing at the time that the Department brought in. They had moved from a situation where disabled people always saw a specialist to now disabled people seeing a generalist but that generalist is supported by specialists. There can be case conferencing calls and they can ask about whether they can get help in and so on. That was really appreciated.

The other initiative that was going on was community partners, getting people who lived a disabled experience into jobcentres to share some of that. I think they have since combined the disability employment advisers and the community partners together so they are no longer a separate role. Again, that is helping to change some of the understanding and attitudes that we would get around some of this. Hugely challenging, the Department is acutely aware of that, and is doing quite a bit to try to meet that challenge.

Q45 **Neil Coyle:** Linked to that point about DEAs, do you think the measurement of access to DEA and management oversight is in place to ensure that work coaches have the best chance possible of delivering the targets that are being set? I am conscious that you have made points about data but also previously about the time available and the likelihood of high unemployment, resulting in even less time available to support people with the most complex needs.

Joshua Reddaway: I don't have any specific concerns around direct line management or what is going on in jobcentres. I do, as we have just discussed, have the concern about whether the Department really knows what is going on.

I have a third concern that is worth raising. One of the things we said that it was not measuring was how many touchpoints and much time they are spending with individual claimants. It does measure for non-disabled people how many touchpoints they have, so how many times they are meeting. It is something I think ought to be monitored as we go through the recession, what looks like a double dip recession, over the next couple of years is whether or not the Department maintains its level of engagement with disabled people. We know that in the first few months of Covid it probably almost certainly just stopped engaging with disabled people because it took—this was the pivot in the 10,000 staff moving to the administration of new benefits.

We do not yet know much about that cohort. One might suspect it was not necessarily a disabled cohort that was coming on to the benefit in the same numbers. They were not maintaining the conversation because they turned off the conditionality regime with the existing claimant base during that time. They turned it back on and my understanding is that the Department is talking to disabled claimants in the same way that it normally would, but there is a risk surely if it is not measuring how much that will be crowded out by other pressures that are on them and supporting others.

They do not have targets and commercial incentives in the same way that we have seen in, say, the work programme but you can imagine there being a tendency to try to support people who are easier to help than some of those who are harder to help. We will not know because they do not measure it.

Q46 **Neil Coyle:** A final question from me. In terms of improving those processes to make sure work coaches have the best chance of supporting people, but to make sure disabled people have the best chance of attaining and sustaining work, and to ensure the Government meets their own target, what would you expect to see, either in the Green Paper or from DWP? Is it more oversight of the services for disabled people? Is it about measuring or assessing the barriers to work phase in order to tackle them, or is it about the point you touched on earlier about user satisfaction from the support received? Was it all that and more?

Joshua Reddaway: All that, I think. Again, it sounds like jargon, I apologise, but it is like the theory of change. That is essential. If you are doing any social change you have to set out how you think you are achieving that and then you have to monitor whether or not you are doing each of the steps along the way.

DfID used to do this very well because it was unclear how aid budgets led to reductions in poverty. It had to articulate areas of change that it would follow through and measure each of the things along the way. It is absolutely essential when you are doing something like this that is very difficult and difficult to monitor that you do monitor the things that you can and you try always to make sure that everything that you are doing

adds up to more than the sum of its parts for the change you are trying to achieve.

Neil Coyle: Thank you. Just to be absolutely clear, I do not think it was jargon. I do think it would be brilliant if the ambitious target was met, to build back better.

Q47 **Chair:** Joshua, I have a final question. I think it is clear that your 2019 report is going to provide a very helpful starting point or contribution to the inquiry that we are doing. What was it that triggered that report two years ago?

Joshua Reddaway: I am trying desperately to remember; I am sorry. We were just thinking how the NAO can most add value. We do around 60 reports each year; we can only look at a very small number of things each time. We felt this was an important thing to look at, how they were helping a particular cohort of people, and to dip inside the organisation. That is always what I see as our USP because we are able to look at what the Department knows and what it is doing to support some of these interesting external debates.

This is looking at an area that the Department says is one of its top priorities, literally to look at its SBP, its set of objectives and its spending. That was a very top goal for it, and thus it is a reasonable thing to ask whether, if the Department says that it wishes to achieve something, it is set up to achieve that. There was not any specific request by anyone or political request, it was our review of the risks of the Department. We think this is somewhere where we could add value by looking.

Chair: Thank you for your evidence this morning. You have given us some very interesting thoughts and lines of inquiry that we will want to pursue in the course of this work that is ahead of us in the next couple of months. Thank you, Joshua, very much indeed. That concludes our meeting.