House of Commons

Public Accounts Committee

Oral evidence: DWP follow-up Autumn 2025, HC 1447

Wednesday 29 October 2025

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Watch the meeting

Members present: Sir Geoffrey Clifton-Brown (Chair); Mr Clive Betts; Anna Dixon; Rachel Gilmour; Tristan Osborne; Blake Stephenson.

Laura Brackwell, NAO Director, Edward Pinney, Alternate Treasury Officer of Accounts, and Kate Mathers, NAO Executive Director, deputising for The Comptroller and Auditor General, Head of the National Audit Office, were in attendance.

Questions 1-75

Witnesses

I: Sir Peter Schofield KCB, Permanent Secretary, DWP; Barbara Bennett, Director General—Operations, DWP; Helen Wylie, Chief Digital and Information Officer, DWP.

Examination of witnesses

Witnesses: Sir Peter Schofield KCB, Barbara Bennett and Helen Wylie.

Q1 **Chair:** Welcome to the Public Accounts Committee on Thursday 30 April 2025. In today's session the Committee will be following up on recent scrutiny of the Department for Work and Pensions. In July of this year, the Committee published its Report on jobcentres, which concluded that the DWP seemed complacent about the impact that the reduction in support caused by the shortage of work coaches may be having on claimants. We will want to examine that further. The DWP has since decided to make permanent measures that reduce the support provided by jobcentres to universal credit claimants.

The Committee also published its Report on DWP customer service and accounts in '23-24 at the start of the year, highlighting that people were receiving a very different quality of service depending on the benefit that they were claiming. Service was particularly poor for disability claimants, including personal independence payment, or PIP, and employment support allowance, ESA.

Today's session will be an opportunity for the Committee to follow up on our previous inquiry into jobcentres, challenge the DWP on its progress in improving customer service, and explore the DWP's position on very important digital and transformation issues such as cyber-security and the use of AI. We also intend to explore the flexible support fund, the FSF, with the Department this morning.

We welcome all our witnesses, particularly Sir Peter, the permanent secretary. Will you introduce yourself and your colleagues, please?

Sir Peter Schofield: Thank you, Chair. I am Peter Schofield, the permanent secretary at the Department for Work and Pensions. It is great to be back here. I am joined by Barbara Bennett, chief executive of the jobs and careers service, and the DG for the jobcentre network and universal credit more broadly. Barbara has been once before to one of these hearings, but Helen Wylie has never been to a Select Committee before. She is our CDIO and the director general for digital and transformation.

Q2 **Chair:** Welcome to all of you, but a special welcome to you, Helen, as this is your first time—hopefully you will find the experience illuminating if nothing else.

Let's move straight into questions. As I indicated in my opening remarks, Sir Peter, we want to ask about the flexible support fund. What evaluation have you done of the impact on job outcomes of support provided through the flexible support fund?

Sir Peter Schofield: We constantly evaluate the delivery of all our services. The flexible support fund is one element of a big range of different types of support delivered through the jobcentre network. I am delighted to say that we are starting a quarterly publication of a lot of detailed information about our jobcentre network, as well as the delivery and outcomes coming from that, which you can see. Coincidentally, we published the first one this morning, and I will explain why it was this morning. We have to set these publication dates well in advance; it was announced in the summer that it would be in October, and it is coincidentally this morning.

You will see in those publications that, to a jobcentre district level and to a local authority level, we are able to monitor progress outcomes across the different conditionality groups of universal credit. You can see that, and we will publish that quarterly. This Committee will be able to hold me to account not just on a national level, with programmes like the flexible support fund, but on how it all comes together locally to deliver outcomes for our customers.

Q3 **Chair:** That additional element of transparency and data will be very welcome to all of us, because we are then able to make a better evaluation of how our individual constituency jobcentres are doing. Thank you for that—that is very helpful.

Sir Peter Schofield: I am very happy to come back and talk about that at local level, if that would be helpful in the future. Obviously, as we have discussed before, the labour market is very varied all across the country, and we see different trends in different places. Importantly, as part of this, you will be able to see the way that people are moving through conditionality groups.

A big focus of our jobs and careers service, as well as the work that we are doing with the Get Britain Working White Paper, is not just those people in the intensive work search group but trying to use our resources to reach out to people on the health journey, or people who in the past the DWP has not supported and left alone. If we are going to get economic inactivity down across the country, we need to be reaching across to those groups as well. I am hoping that this data will be able to help us chart people's journey towards work through the conditionality groups, as well as people actually getting into work, which is often the end of quite a long process for customers, and that process has big barriers.

Q4 **Chair:** What you have just said is very interesting. Is there good co-ordination between you and DHSC on health-related issues, such as fit notes and who might be able to work, as well as what type of work they might be able to do?

Sir Peter Schofield: Increasingly so, and it is a really exciting area of opportunity for us. We do this in a number of different ways. One such way is work that is done out of many jobcentres. Just to give you an example, I was in Poplar in east London, and more recently, I was in Ilford, which is also in east London. In both cases, I was in a primary care setting where we have jobcentre work coaches coming. The connection with the GP practitioner is that, when someone comes in for a fit note, they can then be referred to a DWP colleague in that setting to say, "Let's talk about employment opportunities. Let's talk about what you can do."

When I was in Ilford, I talked to the GP practitioner leading this, and she was keen to advocate for the importance of work in health, particularly for someone with a mental health condition. Many people with a mental health condition need a routine in their day, and a purpose to their life—work can give that to them. They see work as part of the treatment plan to help people get back into independent living. We are increasingly seeing that locally.

We are also seeing this happening collectively at a local mayoral or strategic authority level. When I was in West Yorkshire last week, we had a meeting with the Mayor of West Yorkshire as part of thinking about how the trailblazer initiative there is working. I think we talked about this when I was in front of this Committee before. We have 17 trailblazers, half of which focus on supporting people with health conditions and getting people out of economic inactivity and into work, and the other half focus on youth. These are all great examples.

The challenge you will probably have for us is: what are the outcomes? What are you seeing coming out of this? The reality is that it is early days, and I think these quarterly publications will help to chart the way. We talked about an evaluation strategy earlier in the summer that brings all this together—trailblazers, the work through the jobs and careers service, and some of these test-and-learn things that we are doing at the moment. How can we see whether we are making a difference? We have to try different things to reach those who are economically inactive.

Q5 **Chair:** That is very interesting, and we will definitely want to come back and examine the outcomes, particularly as you roll it out. Of course, at the top of Government, Wes Streeting, the Secretary of State, made an announcement about the less serious mental health conditions that work may play a part in rehabilitating.

Sir Peter Schofield: We really think so.

Q6 **Mr Betts:** One of the things that has been said to us is that, when the Department gets things right, it is not always good at rolling the lessons out right across the Department. An example was given to us about small-scale employment support provision, which is done at a very local level. Initiatives are often taken, and they work, but they are not then explained to other jobcentres, which might then follow up and do the same thing—they are left as an isolated example of good practice. Is that a fair criticism?

Sir Peter Schofield: I do not think so. Barbara will want to come in on this, but there was a structured approach to the pathfinder initiative that we set off. When I was in West Yorkshire I visited the Wakefield jobcentre, which is our first pathfinder jobcentre where they are trying new things. The idea, in a structured way, is that when we have identified things that do work, we then roll them out to another set of pathfinders. We then develop an understanding of things that we can roll out nationally. Barbara, do you want to say more about how we are doing that?

Barbara Bennett: It can always get better. We obviously have a large infrastructure—646 jobcentres—but in the main, we have over 200 service improvement leads, a specific team for service optimisation, and a planning team as well, whose role is exactly to take that best practice and roll it out. The thing to also appreciate is that, as part of the jobs and careers service, the whole idea is ensuring that what you put in place locally is appropriate for the needs of your local area. Our work coaches live in the areas that they serve. They serve within those areas, so if they think that a particular initiative is appropriate for their jobcentre they will absolutely take it onboard and roll it out.

Can we do more? Always. But we have deliberately put in place structures, especially since I was in front of the Committee last May, to bolster and reinforce that learning. The jobs and careers service specifically is taking the best practice in those areas. Especially in the world of employment, we have retrained our employment advisers, and part of that is taking advantage of best practice in a particular area. We will always want to first ensure that something is appropriate to a particular area and then scale it up and out if it is appropriate.

Q7 **Mr Betts:** How does it work? Is it that you spot that something is going well at the centre, and go, "Oh, that's a good idea," or is it someone down there who says, "We're doing this very well and it's working," and then telling their colleagues about it?

Barbara Bennett: It is at all levels. It is absolutely from the frontline, and our service improvement leads specifically work with work coaches and the leaders of our jobcentres, as well as management layers. We deliberately have weekly buzzes, we have operational reviews, and we have really reinforced our performance management and the roll-out of those areas. We are innovating. We are learning. You will have seen from when we were here last time that we are testing and learning across the majority of the work that we are doing. There is a real hunger across our work coaches and all our service centres and jobcentres to really improve the service that we deliver.

The other thing is that we have a really strong group director network. They are deliberately interested in how we surface some of those areas. We have recently done an audit of what is happening in what area, either around employment or particular initiatives that we are doing with local organisations. We have bolstered that, because as we are testing and learning across our jobcentres, through the jobs and careers service, we really do not want to miss those useful nuggets. It will potentially come from a visit that Peter, the Minister or I have had, but the majority of the initiatives come locally and really bubble up across the network.

Sir Peter Schofield: One of the key parts of innovation is how we encourage folk at every level to feel that their ideas matter and they can feed them in. That is part of a culture change of transformation across the piece. It is not just in the jobs and careers service—Barbara's team are doing that brilliantly, as you have heard. Sometimes I go to places and ask, "Why is this process running the way that it is?" and they will say, "This is the way we were told to do it. It is policy." I will then say, "Why?" and they will agree.

Why can't that be fed back up? It is about creating the role of service innovation leads at every level and creating the sense that we want to hear their ideas. As we move forward into the transformation plans for DWP over the next five years, this is part of it. We talked before about culture change; this is part of the culture change that we need to encourage. We need a sense that it is worth you coming up with ideas, because we can change things for the good and roll those ideas out if they are worth doing.

Q8 **Chair:** We like and welcome innovation in this Committee. The thing about innovation is that, although sometimes an idea won't work, one can learn from it, move on and do something else. How do you deal with your staff in that respect? Clearly some of them will get it wrong some of the time, but would you still welcome that and say, "Let's do something different"?

Sir Peter Schofield: I think the concept of "failing fast" is really important. I often do a blog after my visits around the country, and after my visit last week I talked about failing fast as a concept, and encouraged people to think about it. Failing fast, in the past, has been seen as a mistake, but it is not a mistake; it is what we need to do, because it is a way to learn and build from that. Some of the things that we try will make a difference, and we need to build from that, but we will make mistakes along the way.

Chair: That is a really helpful reply.

Q9 **Anna Dixon:** It is good to see you again. Before we get going, I should declare a conflict of interest: my niece is a work coach, as I mentioned last time. She is certainly full of ideas about things that could be changed, and we may come on to one or two of them later.

Obviously, one of the changes we were quite concerned about when we last saw you was the change of a first appointment from 50 minutes down to 30 minutes. You could say, "This is an innovation—we are trialling it out and monitoring the impact, particularly on different types of claimants." My question is: are you actually doing that? What are you learning and what are your measuring about the impact of a shorter first visit?

Sir Peter Schofield: I would not want you to get the impression that this situation is fixed and can't be altered. To bring it home, when I was in Wakefield on Thursday, I sat with a work coach who was doing an initial claimant commitment and it was scheduled for 30 minutes. It actually took 40 minutes because the claimant came along with some universal credit issues that they wanted help addressing. That was obviously the first priority for the work coach.

We got to the end of the 40 minutes, and I said, "That was 40 minutes. How come you were able to go on for more than 30 minutes?" I could see on his calendar that he was scheduled for 30 minutes. He said, "Well, in this particular case, I knew that my next appointment hadn't arrived." I said, “Well, that’s okay, but what would have happened if your next appointment had been sitting there, waiting?”

He said, “I would have made a decision as to what was the best thing to do. If I was in a conversation that really needed to continue there and then, I would have messaged one of my team and they would have taken my next appointment and handled that.” There is always a bit of flexibility. They work as a team really brilliantly in jobcentres more broadly. He said, “Alternatively, if I knew I needed to see that next person on time, I would have the flexibility to rebook another appointment with the person I was seeing.”

Of course, that claimant commitment is the start of a process. For the first 13 weeks on the intensive work search regime, you are meeting every week after that, so the conversations can continue. I want to give the Committee the sense that there is that flexibility. That is only one example, but I have heard of it elsewhere as well. We did a lot of work on understanding the implications of this. It is unlike some of the other changes we made where there are detailed economic models. There was never an economic model that said it should be 50 minutes rather than 30 minutes to begin with.

In the past, during the pandemic, for example, the claimant commitment was typically 30 minutes. We tried this in the local flexibility areas, which we talked about when I was here last time. The feedback, which Barbara’s team gathered—not in a big, formal survey, but just through the line in the normal way we do things—was brought together under Barbara’s universal credit operations board to reflect on that. A decision was made that this was an area where we could make that change in resourcing.

Remember: the reason we are doing all of this right now is to free up work coach time to deal with and support those customers who currently do not have any support at all. All of this focus—and the conversation we had last time—was about the intensive work search, because it applied to 1.5 million of the people on universal credit, but we left to one side all the people who were on the health journey, who were waiting for a work capability assessment or who were found to have limited capability for work. We were leaving them to one side, typically, with no support at all.

This goes back to what I was saying to the Chair at the very beginning: if we are going to make a real difference to economic inactivity in this country, we cannot leave alone those folk on the health journey. In our experiment on additional work coach time for people who are waiting for a WCA, we saw a discernible improvement in employment outcomes, so we wanted to do more of that. The way we thought we could do that was by adjusting—amending—the particular things in the intensive work search group that we thought would make minimal impact so that we could free up the work coach resource to do the other things. We have been able to have 1,000 partnerships to work advisers all across the country to support people on the health journey. We will keep it under review, but that is how we have got to that particular situation.

Q10 **Anna Dixon:** It is good to hear that it was about freeing up time to support other claimants. In fact, one of the things that my niece mentioned was prioritising reassessments and work capability, because I think many people are waiting over a year to have an assessment for work capability or to be reassessed, and parking those people is not good. None the less, I am concerned that the only feedback you have is from work coaches and up the line. What feedback have you sought from claimants, particularly claimants who have additional needs?

I have a constituent who is deaf, and they are being constantly asked on their online journal to make a phone call to discuss the claim, and they keep repeating that they cannot have a phone call. There will be other people who have additional communication needs for whom 30 minutes will simply not be appropriate. How will you evaluate the impact on claimants of the change to 30 minutes?

Sir Peter Schofield: First of all, I am sorry to hear about that claimant's situation; that is not what should happen. A flag should appear on the screen for the work coach or the case manager in the service centre, being very clear about the additional support that that customer needs. I am sorry about, and if there is anything that we can follow up offline, let's do that.

Anna Dixon: Thank you.

Sir Peter Schofield: On the additional time in the claimant commitment stage, we are absolutely clear throughout the organisation that if someone needs more time, they get more time. There is flexibility to have a longer appointment if that is required for the particular customer. Sometimes that can be done in the rather informal way I described in Wakefield, but it is possible to do that, if required, in the system as normal. The evaluation comes as part of the overall evaluation of the publications we are doing quarterly, which I talked to the Chair about at the beginning, and you will see that by different types of customer and different demographics. It was only published this morning, but if, having reviewed that, there is additional data that you think would be helpful, let me know. Barbara, do you want to say anything more?

Barbara Bennett: It comes back to your earlier point. The fact is that I don't think I have ever sat with a work coach who said, "No, I'm sorry. We have come to the end," especially to a person who has additional needs. Also, I want to be clear that we have trained our work coaches on the customer additional needs framework as well, deliberately for customers like your constituent, Ms Dixon. We have done that specifically so they can have very targeted conversations and personalise the discussions. We would typically see it as part of our customer survey and our customer response if customers were seeing particular issues, but actually we have increased by two percentage points in our customer feedback response.

At every level, we will have assessed the needs, but I assure you—you will have seen this in your own jobcentres—I have never known a work coach to stop a conversation. It is not what they are trained to do. The additional needs work that we have deliberately done in terms of training makes absolutely sure that, especially for vulnerable people and those with extra barriers, we spend the time that is appropriate. As Peter says, it is an ongoing conversation, so if we need to come back in a timely manner, we will. The claimant commitment is a live document; it is not a ”once and done”, but an evolving discussion that we have with an individual. That is why we make sure that we perpetuate that kind of core service. Our work coaches absolutely are motivated to support first and foremost those people who have barriers.

Q11 **Anna Dixon:** On training, I think there was a commitment in the national suicide prevention strategy that staff in DWP should be getting training to identify and refer as appropriate people who may express suicidal ideation. Has that been included in your additional training?

Barbara Bennett: Yes, the CAN framework—the customer additional needs framework—absolutely brings in those specific requirements. I can give more details in writing.

Anna Dixon: It would be good to get an assurance that that was part of the training.

Q12 **Mr Betts:** It is okay to say that if people want extra time and have not had enough time with a work coach, they can have it, but what about the people you really want extra time with who do not want to be there? The ones you are trying to get into work—maybe young people who are perhaps a bit resistant to getting into the world of work—could do with extra time with a work coach, but they are happy to get out of the door as soon as they can. How do you deal with them?

Sir Peter Schofield: Barbara will say more, but sometimes it is about the setting that you do this in. We have been developing jobcentres over the last 20-odd years, but sometimes they are not places where people necessarily feel as comfortable as you want them to be, so we have been creating youth hubs all across the country for young people to go to. Maybe they are in a shopping centre unit, a library or somewhere else, but they are a different setting where we can come together with other agencies that support young people. You can have those work coach conversations there, alongside other types of support: maybe the FE college will be there as well, and you can introduce someone to an FE course or support them in some other way to pique their interest. Sometimes it is about setting. Barbara, do you have other thoughts?

Barbara Bennett: It is not only about the training for the work coach—the word "coach" gives away the fact that it is a coaching conversation. The jobs and careers service is playing to the concept of setting, of place. That is important. As Peter says, we currently have 111 youth hubs, and the plan is to expand to over 200, deliberately, because we know that some people find the jobcentres perhaps not the best place to have a conversation.

We are also trialling work coaches in GP practices, so that people feel we are taking those conversations to the individual. It is an ongoing conversation. We ask individuals to do a lot before they get into the jobcentre as well, so that they are prepared for the discussion they are about to have. We understand that people have various barriers, and obviously we will give an appropriate amount of time.

Sir Peter Schofield: Both of us sit regularly with work coaches whose focus is on young people—16 to 24-year-olds. They often have a way about them. They can get alongside young people in a way that perhaps some of us could not do quite so successfully. They think about how they are going to interest this person, almost as a parent would a child, asking, "How am I going to enable this person to think differently about their future, build their confidence and think about the opportunities there are?" Obviously every case and situation is different, but the great thing about having the coaching skills, as Barbara says, is that work coaches can get alongside a young person, help to turn them around, raise their aspirations and think about the next steps.

Chair: Thank you very much, Sir Peter. We publicly welcome our newest member, Tris Osborne.

Q13 **Tristan Osborne:** Thank you, Chair, and thank you, Sir Peter, for your contributions. I am new, so forgive me if you have previously answered some of these questions. I have done some research and I have a few quick questions about your responses to my colleague.

Are the 200 change staff you mentioned specifically focused on change in this programme, or are they concurrently looking at change in other programmes? You mentioned the fact that they are engaging in that change area as a sort of metric, but that is a large number of staff. Can you give a bit of commentary on what those change staff are doing?

Secondly, around the local flexibility framework, you mentioned that 57% of jobcentres have taken up the reduction. Have you analysed the geographical distribution of centres that have not taken it up, and why they have not? Is there a reason why some have not moved to it, rather than why 57% have? Are there any lessons to be learned about why they have decided not to?

Thirdly—

Chair: Shall we just let Sir Peter answer?

Tristan Osborne: Sorry, I am new to the Committee.

Chair: Otherwise, we will all forget what the questions were.

Sir Peter Schofield: I will bring Barbara in on this. On the change staff, it might seem like a lot of colleagues, but there is a lot of change across 640 jobcentres. Having people there to encourage and support the innovation is part of helping us to learn. The tooling required to support some of that requires digital interventions as well. A whole range of things are going on in that change area.

We talked a bit about the local flexibility framework at a hearing before you joined the Committee. The way it worked was that demand in any particular area—for example, the need for work coaches—changes according to local factors and can be quite rapid, whereas our ability to flex the resourcing takes longer because you have to have the budget, which we negotiate in spending reviews, and then you have to have a recruitment process. We were able to flex in places where, for a period of time, we were unable to match the supply of work coaches with the demand for work.

The reason to have a local flexibility framework, as opposed to saying, "We'll just leave it to you," is that we wanted a structured approach so that we could understand the things a jobcentre would draw back from when it did not have enough work coaches. We avoided them drawing back from things that made a massive difference to outcomes and focused them on the things that made less of a difference. In my correspondence with the Committee Chair since our hearing back in May, I talked more about the evidence that lay behind that and some of those changes. Barbara, do you want to say a bit more about how we have defined it in the past?

Barbara Bennett: Local flexibility has now become three things that are permanent. You mentioned the 57%. That was the jobcentres that felt that they needed to use that flexibility at the time. A few of those changes have been made permanent, so we are in a different world now.

The service improvement leads that you mentioned are not necessarily full-time jobs. Their role is to work within the jobcentre, but they are there as a spokesperson for the individual jobcentre and the cluster that they work in. They deliberately spend time with work coaches; they listen to customers and listen in on conversations. Their role is twofold. First, digitally, are there things in the universal credit build that we need to improve on? Then, from a service perspective, is it working?

When we are doing any testing across the organisation, be it the jobs and careers service at a macro level or individual system issues, we need to work out first whether it is feasible and secondly whether it does what it is supposed to do—is it effective? Those teams are focused on bubbling up the changes that could be made and making recommendations that will go in future releases of the universal credit system, and bubbling up the sorts of improvements that we want to make to regional, local and national level. At a time when we are encouraging people to be forward-leaning in terms of making suggestions about how the overall service can improve, they have a valuable role in the ecosystem that we have right now.

Chair: Tris, I am sorry to have cut you off. Do you have further questions?

Q14 **Tristan Osborne:** Can I follow up on one point? I understand that 57% took this up initially and it is now being rolled out. You mentioned that the initial 57% might have chosen to use it to allow their staff to cope with demand. Were particular locations or demographics picked up in that initial

57%? That is to say, were they in more socially deprived areas where there might be a greater requirement to engage people around mental health or housing? This might be masking other problems such as resource issues in particular communities. We might therefore be increasing perverse outcomes.

Sir Peter Schofield: These measures were deliberately targeted to avoid any of that. We talked about the claimant commitment meeting, but the other two changes were around the amount of time or frequency with which we interviewed people with earnings—from one and two weeks to eight weeks—and what we did after someone had been out of work for 13 weeks; half the time, we were meeting them fortnightly and half we were meeting them weekly. We are now going to meet everyone fortnightly.

We had a lot of evidence from quite detailed trials some years ago. Those trials suggested that we make that change for people with earnings very safely. In cases where we saw people fortnightly after 13 weeks, we could see that the impact of weekly meetings versus fortnightly meetings showed diminishing returns once somebody had been out of work for 13 weeks: there was less of a change in the conversation after a week than there would be after two weeks. The data was set out in the correspondence. The changes were targeted to avoid any significant adverse impact on people.

The benefit of the changes goes to the other half of your question, Mr Osborne. Now we can free up 1,000 pathways to work coaches, who can then reach into those customer groups who previously had no support at all. We are seeing discernible employment outcomes as a result of that work. It is important to see it in the round when looking at what we have done.

Q15 **Rachel Gilmour:** We are pleased to hear that you have decided to publish performance data at district level, but our recommendation was that it should be done at jobcentre level. Given that there are 647 jobcentres and 37 districts, why have you not done it at jobcentre level, and only gone for district level?

Sir Peter Schofield: It is at district level and local authority level, which takes us a further level down in terms of detail. There is a lot of data there, so I think it is going to be helpful. The challenge of going below that to a jobcentre level is that the geography of a jobcentre can be relatively small and what is going on, in terms of the number of jobs and work coaches, can be distorted by someone leaving or a major employer suddenly going out of business. The danger is that, in having 640 stories to tell, we would probably have to provide a commentary to explain the particular circumstances of each jobcentre. The level of assurance of the quality of the data diminishes as we get to that level. We publish official quality data that goes into the kind of detail that I have described to local authority level. At that level, we are talking about reasonable, functional economic geographies. It gives a good picture of what is going on, and a sense of the outcomes that we are seeing.

As I said, have a look at the performance data in your area and see whether it gives you what you want. I am happy to talk further if there is more detail available. I have written—I think via the Chair—to a member of the Committee who asked for jobcentre-level data for the jobcentre in his constituency. I did that. I am not sure whether there was any feedback from that, or whether it was useful. A lot of resources would go into doing that and explaining the particular circumstances, so my preference is to hold it at the current level. There is a lot of detail here already. Give it a go. See what you think. When I come back, if you have a sense that it does not give you what you want, I am happy to have that conversation.

Q16 **Chair:** Why don't we ask you, Sir Peter, to give some granular detail to every member of the Committee? Then, when you next come before us, we can see whether we are happy with that detail or whether we would like it amended in any way, or whatever. Would that be feasible?

Sir Peter Schofield: I can certainly write to each of you. Or shall I write to you, Chair?

Q17 **Chair:** No, if you write to us, the Committee can collate all that information and use it the next time you come before us. I would like to come on to the merger of the careers service. It seems to me that, in essence, the merger is quite a simple thing to do, except it has a number of consequences. I am really worried about the split.

The written ministerial statement of 16 September confirms that "responsibility for apprenticeships, adult further education, skills, training and careers, and Skills England, will move from the Department for Education to the Department for Work and Pensions." However, "Responsibility for higher education, and further education, skills, training and careers for those aged 19 years and under will remain with the Department for Education." That is an odd split, isn't it? Isn't it going to cause worries among young people as to which Ministry is responsible for what?

Sir Peter Schofield: I don't think so. Barbara is leading the work on the integration, but careers advice in schools and colleges will remain delivered via the DFE system. Our contribution is to take over those prime contracts related to the National Careers Service for adults; those are currently being delivered through various prime contracts, and we are taking those over. The exciting thing is that Ministers have decided to insource from 1 October next year, so we can combine the work of those amazing careers advisers with other things that happen in the jobcentre, so that we get this combined, unified offer. Barbara, do you want to say a bit about how it is working in practice?

Barbara Bennett: Specifically around the National Careers Service, we already work really closely. We have national careers advisers already embedded within our jobcentre network. The specific National Careers Service merger—we can talk about the skills piece more widely—is welcomed by our work coaches, because there is so much joint learning. We are excited about the fact that we could put work coaches in areas where currently those national careers advisers are and where work coaches are not. I think that is a great opportunity.

There is also much, as part of the jobs and careers service, that we are excited to learn about, such as how careers advisers are accredited and the professions that they have as well. For me there is, how do we build on already existing good, strong relationships around the National Careers Service? How can we embed the National Careers Service as part of the end-to-end journey for an individual? That is one reason why we have decided to make some of the decisions on how we are embedding it. Also, there is so much mutual learning between us.

Q18 **Chair:** I hear what you say, and that probably does apply to getting people into work, but careers advice is about much more than that, isn't it? It is about trying to give advice to young people about what their wishes and skills are best directed towards. We have had a problem with skills in this country for years. It might be that you are going to do it better—I hope so—but I worry about this considerably.

Sir Peter Schofield: The thing is that, for many young people, that first conversation with a careers adviser happens at school. There is no change to the delivery of that; that will be as it is now. That is the point where young people make some really important life choices about what GCSEs or higher-level qualifications to do. There is no change there.

This is about the post-19 support for careers and the National Careers Service delivery there. At the moment, as Barbara says, a lot of their advisers come along to jobcentres, sit there and meet customers. It is about enhancing, improving and developing that offer and embedding it in everything else we do in the jobcentre. I understand the concern, but in terms of how this affects young people coming through education, there should be no difference, because those people stay where they are.

Q19 **Chair:** In essence—correct me if I am wrong—under-19 will still be done by careers officers, and over-19 will not; it will be done by your people, embedded into your Ministry. Are you going to start to reach out to those—still young—people over 19 at universities, freshers' days and so on to provide all the advice that is currently provided by the careers service?

Sir Peter Schofield: Certainly, everything that the National Careers Service is currently doing, we will take on. In terms of careers advisers embedded in universities, again I think there will be no change in how that works. They are already embedded and, again, you would not want to disrupt those important conversations about how people end a degree and move into employment.

But there is the opportunity for us to link better with how all institutions are working, through the work of Skills England, which is the other agency we have taken on as part of the machinery of government change. That is about the connection between business and employers into training and education. For us, that is a really important tool for our role in bringing the labour market together and connecting employers, training and employment support with individuals. That is one of the things to hold us to account on as we embed the merger and take forward the machinery of government change: are we making the most of those opportunities?

You will have seen from the skills White Paper, which was jointly authored by DFE, DWP and DSIT, the importance of integrating that, and how everyone sees the need to understand better both the training and employment needs of industry today and how sectors will develop in future, as well as how we ensure we meet their skills needs for the future, so that we can promote economic growth and the industrial strategy more broadly.

Chair: I noted that vital final sentence about growth going forward. The Committee will certainly want to follow that up in future years to see how it is working.

Q20 **Mr Betts:** The problem with changes like this is that they cause a lot of disruption to staff and organisations. So what is your time period, and what are the particular problems you will have to deal with in getting that change?

Sir Peter Schofield: The time period is October next year. But there is a lot to work through, particularly in terms of understanding the way the supply chain works already, through primes to many third-sector organisations that deliver the support. The Minister's decision to in-house that has implications. Barbara has a team leading on this.

Barbara Bennett: Is this specifically about the National Careers Service, or the machinery of government change as a whole?

Mr Betts: Yes.

Barbara Bennett: The National Careers Service contracts come to an end in October. We want to make sure that the service we are delivering is as consistent as it is now, but also that we are building on it, so that we have the right skills in the right places for the jobs that are available in labour markets. Building on and matching the employer element is one of the opportunities for us. The National Careers Service work is ongoing, and we are starting that conversation. But more widely, on skills, we obviously have a plan as a Department.

Sir Peter Schofield: The machinery of government change involves bringing the responsibility over. It also involves bringing colleagues over from the Department for Education into the Department for Work and Pensions. At one level, those things are straightforward because you can announce them; at another level, there is a lot of detailed delivery that goes underneath that as well.

One of the things we were keen to make sure we did not lose sight of is that adult skills work and apprenticeships are absolutely intrinsic to what we do from the labour market point of view. But you also need to think about the experience young people might have working through the system, which the Department for Education has very good oversight of. So we have created a joint unit sitting below my director general and the

DFE director general, which is going to hold that together and support Jacqui Smith, as the joint Minister.

Working forward, we will need to identify some practical things about budgets, contracts and things that go with those. We have said that the budgets will formally transfer at the main estimates for the next financial year. In terms of responsibility from an accounting officer point of view, I have shared letters with the permanent secretary at the Department for Education, while we work through a lot of the detail to make a reality of this.

The key thing for me is, what people are seeing going forward? For example, how are we ensuring that Skills England is focusing its work on the needs of the economy, and how can we then use the labour market initiatives to build behind that?

Q21 **Mr Betts:** You have led into the two questions I want to finish with. First, you mentioned apprenticeships. Often young people start those at 16 or 17, but they probably continue them, or people come into them later, at 19 or 20. How is that joined up? You just started to describe working relationships. That is a key issue for the people themselves. They do not want be, "Oh, I was dealing with that Department yesterday, but I have to deal this Department tomorrow because I've turned 19."

Sir Peter Schofield: No. Apprenticeships have come to us in their entirety, so you do not have that break. We are responsible for apprenticeships across the piece. As you say, that can start at 16.

There is a real opportunity here to make more of apprenticeships. I do not know whether this is a statistic that I am allowed to use, but there is something like a 93% success rate for people who finish an apprenticeship and move into sustainable employment. So apprenticeships are a massively important tool in our armoury, which we need to make the most of.

But how do we make sure that they are increasingly meeting the needs of employers? The system is working now, but how do we make sure that it works in the future? And how do we then think about those opportunities—apprenticeships and other things—that people coming through the jobcentre network see they can access via our work, bringing these things together across DWP?

Q22 **Mr Betts:** Obviously, you are a Department that is very much focused on individuals and trying to get them into work—that is a key part of your role. In terms of wider economic requirements, we can see new potential with clean energy and nuclear power, and there are skill demands there. How are you as a Department going to think about those needs, because that is not a role you normally perform as a Department, is it?

Sir Peter Schofield: We do, locally in particular. I see it when I am out and about. I was in Northamptonshire not that long ago visiting a team we were supporting to bring the skills needed to build a solar farm—on a very muddy field, I have to say; it was a very wet day. From the jobcentre, we were working with the local FE college to provide the skills to meet those needs. So it happens locally.

However, the important thing is, how do we make more of that structurally nationally? That is where bringing Skills England into DWP makes such a difference, because their role is to link with employers, and particularly to think about employers thinking about skills in the future and in those growth sectors. That is particularly true of growth sectors that we know about in Government because they are Government policy, whether it is clean energy, as you say, Mr Betts; investment in defence, where there are clearly big procurements coming up; or health and social care, where we know, again, that there is spending going through the health service, and you need people to fill those roles. I was in a meeting of permanent secretaries earlier this week—in fact, yesterday—where we talked about the 1.5 million new homes we are seeking to build. These are all national priorities, and we need to make sure that the jobs and skills system is bringing people forward to fill those roles.

Some of those are entry-level jobs, and some are more skilled jobs. In the past, I suppose we have particularly focused on those people who are on benefits, and maybe it is the entry-level jobs that are most appropriate. But we see our role expanding into that of a Department of work and opportunity, helping to make the most of the opportunities that come through those growth sectors and connecting those nationally, in a way we already do locally.

Q23 **Mr Betts:** Will you be ready in 12 months' time to do that?

Sir Peter Schofield: Barbara, are we going to be ready?

Barbara Bennett: Yes. We are building on an existing landscape. We already have sector-based work academies, for example, where we are specifically doing work training for particular jobs, for a particular skill area, based on local demand. We have just appointed somebody who will lead on that work to make sure it gets driven through, so that we meet those commercial timescales and our own timescales.

As I say, we are really excited about what this brings, because you then take the careers conversation through to a skills conversation and then through to an employment conversation. That really does build on the service that we deliver already.

Q24 **Chair:** Barbara, the Committee obviously hope that these changes will produce better outcomes for young people; that is what we are all about. But let us deal with the present and those current providers that will lose their jobs or be put out of business. For example, we heard from the Shaw Trust, which has two NCS prime contracts, worth up to £12 million per year. Elizabeth Taylor, CEO of the Employment Related Services Association, has said that some smaller subcontractors may now become "non-viable". Obviously, companies and charitable organisations cannot expect to have Government contracts for life—I am not suggesting that—but there are obviously skills within them. Are you making sure that you capture those skills in your new organisation?

Barbara Bennett: Yes. As you rightly say, these contracts come to an end in October 2026 anyway, and no commercial process can guarantee that an organisation will guarantee work going forward. That was part of our assessment process, and we have assessed all the options we have available.

One of the reasons for insourcing is that there are implications for the transfer of those people into the DWP. We wanted to make sure that we absolutely built on the skills, accreditation and work that goes into an individual when they become a skills adviser, and consider how that can be embedded in a wider programme. We had to take into account all those considerations. But the commercial landscape means that, come October 2026, those contracts were never guaranteed to those existing providers.

Chair: Fair enough. Thank you.

Q25 **Rachel Gilmour:** This is for Sir Peter. I am sure I will not be alone on this Committee in hearing from an increasing number of constituents who are waiting an extremely long time for their PIP and ESA to be processed. I noticed from the Committee's Report that you said that the average time was 75 working days. My senior caseworker tells me that, when she follows up on claims, the DWP openly tells her that it will take more than 12 months. Can you tell me why your overall performance on paying new claims on time got worse in '24-25? I would like you then to address specifically the absolutely dreadful performance—if my senior caseworker is right, and I have no reason to doubt that—experienced by some of my poor constituents, who have to wait more than 12 months to have their PIP and ESA claims resolved.

Sir Peter Schofield: I am sorry to hear that in that case. Let me talk a bit about where we are in terms of transforming PIP, and where we are on ESA.

Q26 **Rachel Gilmour:** Can you answer first why your performance became so bad in '24-25? What factor or factors have made it significantly worse?

Sir Peter Schofield: Well, our annual report and accounts talked about the new claims processing times overall. There was a small reduction to just below 70%, alongside a demand increase of 15%. Part of the answer on the challenge is the relentless growth in demand for our services, and constantly trying to adapt our services to be able to meet that demand and hold demand steady. PIP itself has seen a massive growth in demand. When I was here before, and we talked about the 75% in 75 days, we talked about how, since the time that standard was set, the caseload in PIP has gone up by more than 50%. We have to take that into account. If your case manager wants to let me know about her cases that are 12 months in, do get her to write.

Rachel Gilmour: That is kind, thank you—she will.

Sir Peter Schofield: The thing to remember about PIP is that it is not a process where you make an application and just wait; the process involves a number of steps along the way. I am not making any excuses for it, but it is quite helpful to understand that. The typical—traditional—process is that you would phone up to make a claim, and we would then send you an application form in the post. It would be a long, detailed application form, because it is a paper form, and you had to account for every eventuality. You would not necessarily have to fill everything in, but everything had to be there. It is quite a form to navigate.

Q27 **Rachel Gilmour:** I have seen forms, because I have helped constituents.

Sir Peter Schofield: Me too. It takes time. Some customers say, "I need help to do it. I can't just do this on my own," so they will want to wait until a friend or relative is available. I have been out with DWP visiting officers, where we have gone to someone's home and helped them to fill in their PIP form. These are all things that take time. You do not necessarily want to rush that bit of the process, because you want to get it right. There is no set deadline, but that takes time.

It then gets posted back to DWP. We will look at it and refer it to a health assessor, who is an outsourced provider. They then need to make an appointment, which will need to be an hour or so, maybe two hours, for a health assessment. The health assessment needs to be written up. It then goes back to DWP to a decision maker, who makes a decision, and then we write out with a decision. It is a long, convoluted process.

Sometimes, it takes longer—I am not making any excuses for this, and certainly not the cases you are describing—for the right reasons, because a customer says, "I am not ready to fill in the form today. I need to wait for a couple of weeks for someone to help me." If that is the best way to help them get that right, that is fine. Remember, it gets backdated to the date of claim.

Q28 **Rachel Gilmour:** I know all that, but I have a constituent who had their health assessment over the phone in November last year, and they were notified in February that they did have a claim and were going to be given money—the PIP people were just waiting for a letter from the GP. The GP letter went in within 48 hours, but that constituent is still waiting for their PIP. It is nearly a year on. This is not unique.

I am really grateful to you for making your kind offer—I can tell you right now that Sarah will take you up on it—but I am in a very unique and lucky position to be on this Committee giving you specific examples. The vast majority of people in this country who have made applications for PIP or ESA do not have that privilege. I don't mean to be nasty or rude, but I'm sorry, this is absolutely unacceptable and it has to change. You need to find a way of improving these outcomes. That might mean employing more people and training them better.

I do not accept the idea of putting it on the claimant because they might take two weeks to fill in the form. The problem as I see it, and I suspect as everyone else here sees it, is that when it goes into the PIP system it is taking up to 12 months in some instances, if not longer. I would be grateful if you would take away that coalface knowledge and really up your game.

Sir Peter Schofield: I do understand that, and that is a very fair challenge on where that has gone wrong. I am sorry for that. We look not only at the stats for the 50% that are delivered with 75 days, but at how long the 90% take, so you can see the tail. The experience you have heard about does not show up in my statistics in that way, but it is obviously a genuine situation that we need to address.

Q29 **Rachel Gilmour:** I think other people here would say the same.

Sir Peter Schofield: The good news is that this is a service that is under massive transformation at the moment. This Committee, and the predecessor Committee, has talked to me about the work we are doing to transform the PIP service through the health transformation programme. There are a number of elements to that, which I think will absolutely improve it.

The first is being able to apply online. That means you do not have the postage time but, more importantly, you do not have this 32-page form or whatever to fill in. It is an intuitive form that will take you to the right questions that relate to your situation, as identified at the beginning of the form, so it is quicker to fill in. That means we have also captured the data electronically at the very start, which helps the process further down the track. Typically, that has taken, on average, 20 days out of the processing time. Where we have run that, we are delivering 75% in 75 days. It is only in a few postcodes in its full form, because we need to get it right—it is so important that we get this right—but when someone phones to make a claim, anyone can be directed to the online journey at that point, so they get the online form. That is one way to improve it. That is step one.

Step two is thinking about how you help people along the way. There is a danger with PIP. In the past we have not had an integrated IT system. Each of the different elements have had their own IT, and the outsourced providers had their IT. We are developing our new IT that sees the end-to-end process.

Alongside that, we are trialling the idea of having a caseworker, so that when you apply for PIP, someone will say, "I'm Peter from DWP"—not necessarily me—"and I'm here to help you with your PIP. I understand your situation. Let me talk you through what PIP involves." Sometimes that is a conversation in which we might say, "Well, maybe PIP is not the right thing for you. Maybe universal credit or something else is right for you," so you direct off the people for whom it is not relevant at the beginning. Crucially, you talk to people about the evidence they might need to provide and help them to think about how they provide that evidence. Then, as they go through the journey, they have someone to connect to, so they are not just waiting in frustration, thinking, "Where's my application?" At the very end, they have someone to talk to about the decision that has made. For some people, it is not the decision they were hoping to get, but they can have that explained to them. That is part of how we embed a bit more trust in the system so that people understand the way we do it.

Unfortunately, we cannot get to that endpoint overnight, because this is on a massive scale. In total, we do something like 2 million health assessments a year. This operates at a massive scale and we have to get it right. But I want to give you a sense that there is a better future ahead, coming out of that work. That does not mean we should not address the situations you have talked about, so I will happily follow up with you.

Rachel Gilmour: I would rather have jam today than jam tomorrow.

Sir Peter Schofield: I know. We all would.

Q30 **Anna Dixon:** To build on what Rachel said, all of us as MPs have stand-out individual claimants' experiences that illustrate some of the challenges with PIP and, indeed, with DLA when parents make applications on behalf of children. The case of my constituent Matthew illustrates it well. He made an application for PIP—he has autism and other needs—and he didn't have support for that. It was turned down, but by the time he was told it had been turned down, it was too late for appeal. He then reapplied, with no change in circumstances, and he got it on the second occasion, when he did have support for it. Between that first application and when he was finally successful, he got into a lot of debt, taking out unsecured loans and things. Those are the consequences of delay: it pushes people into debt and poverty, and towards loan sharks and others who are problematic for them.

Some of what you have said about the health transformation programme may help individuals such as Matthew in future. You suggested that some great results are already coming through from your online testing. How quickly can you move from that being a small pilot to something that is universally available across all claimants? What is your plan for the roll-out?

Sir Peter Schofield: There are different elements to that. Already, when you phone to start a claim, you can be directed to the online journey—

Q31 **Anna Dixon:** And that is anybody across the country.

Sir Peter Schofield: That is anyone, yes. About a third of people take us up on that.

On the other elements, we are running the case manager and the integrated IT at a very small scale at the moment, because I also have to make a business case work, as you will understand. There is quite a lot of additional cost in having a case manager operating, and I have to show the benefits down the road, from a customer experience point of view and from a cost point of view—

Q32 **Anna Dixon:** Reduced appeals.

Sir Peter Schofield: You potentially reduce appeals.

Q33 **Anna Dixon:** Is there evidence for that?

Sir Peter Schofield: Yes, I think there is, but it is at an early stage. That is exactly what you would expect, because people then understand the nature of the decision that has been made.

I think it will also play out—although this is harder to test—in terms of lower levels of underpayment. This Committee often holds me to account for the underpayment of benefits, and PIP is one of those areas. We suspect—well, we know—that it is about people who have a health condition that has worsened and they have not come forward for a reassessment to tell us, so they have not benefited from the enhanced level of PIP they might have been entitled to. We wonder whether that is because they worry about coming forward for another health assessment—it is not a process that they enjoy, and they worry that they might lose what they have, as opposed to gaining more.

There is a wider story. We have talked before about how we embed a sense of trust in DWP. This is one element of that. Personally, I think that the case manager approach is definitely worth doing, but we need to prove it from a business case point of view before we can roll it out.

Q34 **Anna Dixon:** If it does show the right decision first time, that is not only a cost saving, but a huge reduction in anxiety for claimants who have to go through quite an adversarial appeal process.

On people advising you about a change in circumstances, I think part of the reason is that they just do not get through to you. I have another constituent who has been diagnosed with cancer and is trying to tell you about a change of circumstances. First, she is told to attend in person, then she is told to ring up. So she rings up and gets through to one bit of DWP after waiting a long time, and is then told that it is the wrong bit and that she should ring again. She is then on hold for 38 minutes or more and gives up. I suggest that if you made it a little easier for people to tell you about their change in circumstances, there might be less of a problem about under or, indeed, overpayment.

Sir Peter Schofield: I want to address that, Ms Dixon, because it is so important and it is part of the transformation journey we are on. For example, to take a different service line, child maintenance has an online service portal, and 82% of inquiries and questions are addressed online through the portal. You can do that whenever you want, 24/7, and do not have to wait to get through to someone.

The average response time for PIP is about 10 minutes. Obviously, there will be times of the day when it is worse than that, but the average is 10 minutes. We would obviously like it to be shorter, but that is the time at the moment.

Q35 **Anna Dixon:** Sorry to have diverted to customer service and the timeliness of phone calls; we were talking about the timeliness of making a claim and the process from start to finish.

With the work of the Timms review starting imminently, do you anticipate there being further changes to the PIP process that you will need to incorporate into your health transformation programme? Are you confident that you will be able to adapt that programme to be open to further changes?

Sir Peter Schofield: Stephen Timms is announcing the terms of reference of his review today—another coincidental timing. That is a massive exercise of co-creation with a variety of interest groups. We are announcing two deputy chairs alongside Stephen, and we are building a team around them to help them to think this through, to engage with as many stakeholders as possible and to co-create. The exercise will go on until next autumn and I do not fully know what the answer will be. We will see what comes out of it.

We have a programme of work and, as with a lot of the things I have talked about already, whatever we do with PIP, I am sure you will still want to have the same level of customer support and online journey as you go along the way. We will tailor it. The beauty of running a health transformation programme alongside this is that we can test and learn as we go through, and we can maybe feed across between the two reviews and the two programmes, learning as we go along. I do not fully know, but I think there is goodness in that, because that is the nature of the co-creation opportunity of the Timms review.

Q36 **Anna Dixon:** I am sure that some of the people who participate and feed into the Timms review will voice some of the things that both Rachel and I have said about their experience. If improvements can be made, that will be most welcome, but I am sure that more improvements will be desired as we go through the co-production phase.

Sir Peter Schofield: Yes. We have talked about this before, but there are things like the intrusive nature of the health assessment. Can we find another way of avoiding that by having better access to medical data from the NHS, for example? There are also other elements. Once we have spent an hour and a half talking about a person’s health condition, are there things we have learned that could help them to think about their journey into work if they are out of work?

For me, a lot of this is about helicoptering back up and thinking about the wider public sector, so that when people engage with one part of the state, they feel they are engaging with a range of other supporters who can also provide them with different types of support.

Q37 **Anna Dixon:** The outsourcing of the PIP health assessment has been mentioned; are you confident in the quality of those health assessments?

Sir Peter Schofield: Yes. We hold them to account, and there is a threshold that we hold them to account on. Those performances are being held at the level they need to be at, but we keep that under review.

Q38 **Anna Dixon:** The number who succeed on appeal suggests to me that there may be problems with the health assessment not getting it right first time, if the recommendations are then overturned on appeal.

Sir Peter Schofield: That opens up a whole set of questions, of course. Sometimes the appeal is an opportunity for a customer to bring forward additional evidence that was not available at the time of the initial decision. Obviously, we also have a mandatory reconsideration process in the middle, which enables us to take a second look at a decision. It is all about trying to get it right. If the appeals never overturned an initial decision, you would wonder about the robustness of the appeals process, so we have to get that right.

I do not know the latest data, but there was data in the recent NAO Report from a year or two ago, and in practice something like 4% of claims get overturned on appeal at the end of the process, if you look at it from start to finish.

Q39 **Anna Dixon:** But of those that go to appeal, 70% to 80% are upheld in favour of the claimant.

Sir Peter Schofield: I know, but before they have got to that they have been through mandatory reconsiderations and other efforts. If I remember rightly, there is a lovely tree diagram in the NAO Report that we should share. Anyway, none of that is undermining the need to improve the system, and I absolutely agree with that.

Q40 **Chair:** We are going to take a break after a couple of questions arising from our conversation this morning. We know from our previous hearing that the health transformation programme is huge—it is a difficult, complex process—and that it will not be fully in place until 2029. The advice we had was that it was "hoped customers would start to see some of the benefits before then." How and when will they see those benefits, and which customers?

Sir Peter Schofield: Everyone already has the opportunity to apply through the online system when they phone up—that has been rolled out already. The 2029 date is when the existing health assessment contracts come to an end, but between now and then the contracts allow us to put more volume through our new and improved system, and I think we can get to 20% before 2029, so some of that will come through slowly as we develop it.

At this stage, it is probably the online journey that people can see now, where they are referred after the telephone claim. Over time, as we have perfected the business case I have been talking about, we will be able to roll out the new way of doing things, increasingly, up to 20% of cases, but it is all test and learn as we go along because of the scale we are talking about. The 2029 date is when the existing contracts come to an end and we can roll it out completely everywhere.

Q41 **Chair:** There are two categories of potential PIP claimants that I am concerned about between now and then. First, will there still be an alternative system after that date for those who are not computer literate?

Sir Peter Schofield: Yes.

Q42 **Chair:** Secondly, will those who do not have a computer but are IT literate be able to come into one of your centres and use one of your computers?

Sir Peter Schofield: Yes. We have computers in all our jobcentres that are available to our customers, and they can come in and use them.

Chair: Great—simple questions, simple answers.

We will take a break now. The clock is at 11.16. Please be back and in place ready to start at 11.25, which gives us a good break. Also, remember that microphones will remain open, so be careful what you say.

Sitting suspended.

On resuming—

Q43 **Chair:** Sir Peter, welcome back. We are now moving on to customer service and performance. My first question is, to what extent have customer waiting times for ESA inquiries now improved as you said they would?

Sir Peter Schofield: The big picture, as we talked about before, is that income-related ESA claimants are moving on to universal credit. When we were here before, we had about 800,000 customers or so to move over. That is now down to 100,000. That means that those customers are now receiving the universal credit service line performance, where the average time is 1 minute 37 seconds. That is the main story of improvement. For those who are left, we have put more people on to the calls to address those. It is a complex benefit, but we are making progress.

Q44 **Chair:** How many additional staff have you deployed? I accept the shift, so maybe you do not need additional staff—maybe you have reduced staff. What level of staff do you have to deal with this matter now, bearing in mind the transfer to UC?

Sir Peter Schofield: We put in additional resource on a proportionate level. I think we talked about an additional 160 in the Treasury minute, and I think it is actually 165 into that area of the business. It is worth bearing in mind that, by March next year, there will not be anyone on income-related ESA. *[Interruption.]*

Chair: Sorry, we are just trying to work out what we are going to ask you next.

Sir Peter Schofield: I can help. *[Laughter.]*

Chair: You probably would be able to—but you are that side of the table; we are this side. You do the answers; we do the questions.

Sir Peter Schofield: Okay, so the important thing about income-related ESA is that hundreds of thousands of cases are moving across to universal credit. By March 2026, there will not be anyone left on income-related ESA. That is the story of the transformation, really. At one level, you must hold us to account for delivery in the here and now, and that is right, but fundamentally—we talked about this when I was here in December last year, when we talked about customer service more broadly—the best way to improve customer service is to transform our services. Universal credit is a classic example of that, going from six overlapping benefits to one, and getting the policy right. If you simplify the policy, you can simplify the process, and put those bits of the process that can be automated online at that point.

Q45 **Chair:** Very good. We finally come to you, Helen. First, I would like to understand this: you were what I would call a classic CDIO officer, so what level are you within DWP now?

Helen Wylie: I am director general for a relatively new group called the digital and transformation group, which has taken the CDIO responsibilities that I had up until April this year and merged them into our overall transformation agenda. We know that digitisation plays a huge part in transformation, but that transformation needs to span across how citizens interact with us, how our colleagues can deliver brilliant service, and all the elements that we stand up to support that, whether it is in jobcentres, through telephony or through our online channels. I have been given accountability to hold that in one place within the organisation on Peter's behalf. There is a group of about 8,000 of us doing that within the Department right now.

Sir Peter Schofield: Helen is on my executive team, at the same level as Barbara—DG—in the organisation.

Q46 **Chair:** I am delighted to hear that, because that conforms with the Committee's previous recommendation that we should have what I call CDIOs. I accept that you are a level above that, at the most senior level within the Department, and your remit spans right across the Department.

Helen Wylie: That is right.

Q47 **Chair:** That is fantastic; I am really pleased. Sir Peter, do you have the same sort of level of expertise on your executive board?

Sir Peter Schofield: Sorry—do you mean the non-exec board?

Q48 **Chair:** Yes—the non-exec board.

Sir Peter Schofield: Yes, indeed. Our lead non-exec director is Ashley Machin. His history is that he transformed Lloyds bank's digital systems. We also have Arabel Bailey as one of the non-exec directors, who was leading the practice in Accenture on transformation, from a digital perspective in particular.

Q49 **Chair:** Brilliant. That is the exemplar that I was hoping we were going to get for all Departments, so that is really good news.

Sir Peter Schofield: I shouldn't stop there, because beyond that Arabel herself chairs what we call a transformation advisory committee, which has some excellent people on it. Helen, you might want to say more about that.

Helen Wylie: Yes. This is a sort of a peer support to our transformation agenda. It has non-execs with a whole range of backgrounds, including some who have spent time in Australia, Canada and other international environments. We really draw on both their advice and their challenge, to make sure that we are shaping up a transformation that is based on their experience as well as our own.

Chair: Brilliant. Anna is going to ask about service modernisation now.

Q50 **Anna Dixon:** We have talked about health transformation, but the other major programme that we discussed when you appeared before us before, or that you told us about, was your service modernisation programme. This relates to the point about customer experience but also to culture change. You briefly touched on this issue right at the beginning, Sir Peter, regarding the skills and culture within the organisation. I would like an update on that service modernisation programme. What sort of tangible improvements are you seeing at the moment?

Sir Peter Schofield: It covers a number of service lines and we are seeing improvements in each one. I have talked about child maintenance already, where 82% of inquiries are online. With the state pension, 85% of new state pension claims are made online and the vast majority of them can then be handled all the way through, end to end. On things like attendance allowance, we have replaced a 32-page application form with an online journey that people can go through or an online application.

We are also piloting something called a customer account, although this is something to develop further and Helen might want to say a bit more about it, where the idea is to enable a customer to see all their DWP interactions in one place. There is a lot of action on a number of fronts; it is a broad programme covering quite a number of different things. As I say, Helen might want to say more. Shall I also cover your point about culture change?

Q51 **Anna Dixon:** Yes, please.

Sir Peter Schofield: I think that culture change operates at a number of different levels. You could talk about the need for different skills. Clearly, going forward more of our colleagues will need to be digitally enabled, or be able to manage digital-based systems. That is exciting, because it means less of the repetitive manual processing of benefits. If the computer is doing that, you can spend your time alongside customers, particularly those with complex needs, who need support or who cannot make the digital journey on their own.

We are seeing that on child maintenance, where the sort of conversations that our agents have on the phone are the more complex ones, because the straightforward ones are all done on the online portal. We need to upgrade our colleagues' skills from a digital perspective and a customer service perspective.

I think there is a broader point here, however, which is around how we help colleagues to think about change. DWP is an organisation that has gone through change relentlessly; through the pandemic, of course, every big organisation like ours went through massive change. We know that change can happen and change can be managed, but change can sometimes be worrying and concerning. Clearly, as an organisation we will get smaller going forward, as the whole civil service will anyway, but how do we help people to see the future and the opportunities of the future?

We run something called "My DWP story", which we started this summer. We rolled that out, level by level, through the organisation. It means that all 90,000 people in the organisation can have the same conversation about what the future looks like and think about their part in it. That story will evolve chapter by chapter. As we are able to say more about the story, and as our plans progress and develop, we can then have that next level of conversation with our colleagues and say, "Here is a bit more detail about this," or "Here is a bit more focus on that." That is part of it.

As every civil service Department does, we also have our people survey. I do not know what the results will be, but one of the things that we will focus on is what our people say about how we lead and manage through change. Do you want to say a bit more about service modernisation, Helen?

Helen Wylie: Yes. Like all our change programmes, we know that just delivering a technical thing is not a change in and of itself. In fact, that is barely the start. We are making sure that we spend time with our colleagues so that they can spend more time with the people they are here to serve.

We have some really good examples coming through in terms of service modernisation. NISTA commented on it in a report in July. We have really focused on the culture change for our own staff to make sure that we are making the biggest difference possible. There is a dedicated comms strategy to engage with frontline staff, so that we get interaction both ways and learn from their experience, as we were talking about earlier.

We also have a change network to share best practice and encourage knowledge transfer and the sharing of learning as we progress through the transformation. There are some really good examples out there. We spoke about child maintenance. I was up in Newcastle recently listening to our telephony colleagues use those phone calls to help the person ringing them with an online transaction. That is 4,000 CMS staff who have been given specific training to help them to help people use these new technologies and these new services that are coming on stream. There are some really good examples where our investment in our people is helping us to invest in the customers who we are here to help.

Q52 **Anna Dixon:** Is that reflected in retention? What are your retention rates?

Helen Wylie: At the moment in CMS, our retention rate has stayed flat. It is exactly as it was prior to those changes coming through. What we are seeing, though, is that our overall size—the number of people who we need to deliver the service—is able either to reduce or stay the same versus an increase in demand, as we were talking about on some of the other service lines, too.

Q53 **Anna Dixon:** So it is feeding through in productivity?

Helen Wylie: Yes. We are here to create better jobs. The intention of our overall transformation, not just on CMS but across our entire transformation agenda, is to take away some of the more administrative tasks that people spend too much time doing so that we can free up their capacity to spend more time with our customers and the people we are here to serve. We are starting to see that come through.

Measuring productivity is notoriously difficult. We are able to capture certain metrics on certain services as we go about changing them, but at the moment, there is no standard measure of productivity in front of us.

Q54 **Anna Dixon:** This question may be more for Barbara than for you, Helen. The DWP has gone through a lot of staff changes, but changing a job title to "coach" does not necessarily change how the person behaves. Obviously, in the past, there was a much more rules-based, compliance-driven conditionality than the one we see in "Pathways to Work". I hear in your leadership that you want to be encouraging and empowering clients into work and so on, which is quite a big change for staff who may have worked at the DWP for decades under previous cultures. How confident are you that your frontline staff have made that shift in how they deal with clients and that there has been that level of culture change?

Barbara Bennett: Culture change is an outcome, rather than an input into our process, so whatever you do has got to be relentless, in terms of everything you do for an individual. For the jobs and careers service, we have very deliberately acknowledged that, which is why one of the main streams of the jobs and careers service programme is the coaching academy.

I was in Newcastle last week. The coaching academy has been set up because, as you say, just because you are calling somebody a coach does not necessarily make them ready to be able to have very different types of conversations. The coaching academy is about upskilling. It is giving very specific skills as well as more implicit skills to help staff to support the people in front of them.

We have had 100 people go through that coaching academy. It has absolutely been shaped by those people working in some of our test and trial sites, because we wanted to make sure that the coaching was specific to the outcomes that we are trying to deliver. One of the main parts of the jobs and careers service is building that coaching academy and taking best practice. We are also using the other organisations to help shape that. It is actually just a really good course that we are taking individuals through, and that will evolve throughout the jobs and careers service programme.

You are absolutely right that it is an ongoing journey. Coming back to a point that Peter made, I think there has to be something about psychological safety as part of the coaching academy and these transformation programmes. How do we ensure that individuals feel that they can bubble up if things are not right or fail fast? As part of the coaching academy, they are co-creating it, but we are also evolving it, and people really do feel that they have the opportunity to say if it is not right or fit for purpose. But that is a relentless journey.

Q55 **Anna Dixon:** Your commitment is to extend this to outsourced providers. Can you say anything more about how the modernisation programme and culture change is impacting on outsourced providers? Everything we have heard so far sounds as if it is all about your internal, directly employed staff. But clearly clients deal with outsourced providers, so how are you confident that they are also modernising?

Sir Peter Schofield: The main one is what we were talking about before with PIP, where engagement with outsourced providers is an important part of the process—it is quite an intrusive part of the process. The key thing for us is ensuring that we can understand and own that bit of the customer journey, rather than the customer going over to someone who deals with them, and then coming back to us. That way, we can get a better sense about the nature of the customer experience that people are having at that point in the process as well. That is about how we then interact with suppliers to change the way that they work if they need to.

Q56 **Anna Dixon:** And that is the main outsourced provider?

Sir Peter Schofield: Quite a lot of initial conversations with DWP might be with an outsourced telephony provider, where that is quite a straightforward conversation—a bit of data gathering or a basic inquiry where they have access to the system. We obviously monitor the quality that is being delivered there. That helps us to deliver very good initial response rates on the telephony side, which we were talking about before. We need to make sure—and we regularly do make sure—that the conversations that people have with that outsourced telephony are of the quality that we would want them to be.

Q57 **Chair:** Helen, I want to come back to you. We have a section on cyber readiness and preparedness. I am sure you will be aware that the Committee's previous Report, "Government cyber resilience", came to various conclusions, such as, "Government has not kept up with the severe and rapidly evolving cyber threat", "There is a longstanding shortage in government of the experienced, technical cyber skills required" and "Departments have not done enough to prioritise cyber security". These questions are designed to see how up to speed you are with all that. What are you doing to keep pace with the rapidly evolving cyber threat to your operations?

Sir Peter Schofield: I think you should also ask that question of me, because I feel that as the accounting officer it starts with me.

Chair: I am always very happy if the accounting officer wants to answer.

Sir Peter Schofield: Helen should take over, but I want to answer because it is so important that the Committee understands that this matters top to bottom throughout the organisation. You will have seen from our annual report and accounts that cyber risk is one of the most significant risks that we identify. We talk there about the mitigation strategies that we have in place around that. Being hit by a cyber-attack, with the significance of the customer data that we have and the nature of the essential services that we provide, is clearly something that has to be avoided at all costs. It is something that we look at very closely as an executive team.

We have our own assurance programme that is based on the world-class NIST assurance programme, which enables us to follow how we are progressing and improving. We also use the GovAssure process across Government—the Government standard for the most critical systems. We then have our regular updates and checks from the Cabinet Office in terms of the departmental health check and everything that we do across that.

All of that is overseen on my behalf by my chief finance DG, who overviews security as a whole. That is then overseen by my departmental audit and risk committee, which regularly update me on that. We have some outstanding people on that committee as well. There is much more to say on this, and I am sure Helen will answer, but I just wanted to get in the point that this could not matter more. As an executive team, we have tabletop exercises because, of course, in the awful event that something were to go wrong, are we ready to recover? Helen, do you want to say more?

Helen Wylie: We know that we are constantly under attack. We know that there is a growing threat and we are responding accordingly. You have heard from Peter how critical we deem this risk to be for us as an organisation. We have dedicated staff who are expert in what they do. That is a larger group of people than it has been historically, so we are continuing to invest both in terms of our own capability but also in terms of budget.

We appreciate the size that we are and the things that we look after as DWP. We play a huge rule across Government as part of the cyber-strategy to defend as one. We make sure that we are sharing what we learn and our expertise, and building capability for the whole of Government. We are the home of the security academy. We are also making sure that we learn from others. We have regular engagement with the NHS and with the National Crime Agency, as you would expect.

It is an absolute priority for us as an organisation, proven through some of the structures and in-depth control frameworks that are standard across Government and across industry more broadly. We have self-attestation that has been coming through our major change programme in this space, which has been running since 2021, but we also have external assurances that we take sporadically along the way, the most recent of which will report to us in December. So, year-on-year improvements in terms of our cyber-posture, but still work to do, and there always will be.

Q58 **Chair:** I am delighted to hear the absolute priority that both of you place on this really serious issue—probably the biggest threat that all Departments face. That is great, and you have got the skills, and that is great, but to what extent are you inhibited in this work by old and outdated equipment and programmes?

Helen Wylie: We do have a lot of legacy tech debt. I do not think there would be a Department in front of you that would not say that sentence. We have 488 applications as DWP and about 56% of them have some sort of tech debt inherent in them. We have a very structured programme to address that over the next three years. That work is under way and we are already making headway against our aggregate risk score in that space. There is something there for us to address and there is a plan for us to do that.

In terms of its effect on our cyber-position, we have in-depth controls—basically, layers of cyber-protection—that mean that the specific threats relevant to one bit of the overall system are lessened because of this combination of factors that we can bring in to protect ourselves. Tech debt in and of itself is not something that worsens our position because of these layered controls that we have now built around ourselves.

Q59 **Chair:** Presumably, like most Departments, you were given extra resources in the spending review to deal with some of this legacy equipment. Can you tell us what plans there are and how long it is likely to take?

Helen Wylie: We did get specific funding in this spending review to go after both our increase in cyber-security and our legacy tech debt programme. There is a standard risk framework that is used across Government, and we have been able to categorise our services to understand those that are most critical when it comes to technical debt. We are addressing the top 36 of those this year using the moneys that we got in the last spending review, and then we have a three-year plan, which used to be a five-year plan, that we have accelerated using the requested investment from the next spending review to basically reduce that overall risk score down by just under 60% by the end of the spending review period.

Q60 **Chair:** Is that the current spending review period or the next one?

Helen Wylie: The one finishing 2028-29—the three years we are about to go into. So, standard risk assessment as used across Government, and a comprehensive understanding of where our risk sits. A three-year programme to address that is already under way in-year, with specific funding we were able to capture through the spending review.

Q61 **Chair:** What is the biggest risk to your Department? Is it a loss of individual personal data or is it disruption to your services, or is it both?

Helen Wylie: It is both, and they are actually the exact two things that we have against our executive team level risk that Peter described at the beginning—data loss and disruption to services are treated as the two outcomes that we are mitigating ourselves against.

Q62 **Chair:** In the unfortunate event that you do have a cyber-incident, do you have contingencies for how to get back working properly as quickly as possible?

Helen Wylie: We do. We have a security incident response framework, which is that initial reaction to guide us through the steps we would take straight away, were something to happen. That in itself is part of our crisis response framework. That talks about things that may not be to do with cyber-incidents as well. Again, there is a structured response as and when these things were to hit us.

We have also made sure that we have those plans captured away from our own technology, so to speak, so if something were to happen where we were completely offline, we would be able to access those plans and responses. They would be triggered by Peter.

Q63 **Chair:** Our inquiries of various people who have unfortunately faced cyber-attacks have shown that the difficulty is this: the Department has to concentrate on how to get the services back again, while it still has to deal with the day-to-day, ongoing work of people who continue to want to use its services. That puts an awful strain on staff. Do you have a working plan to deal with those two aspects?

Helen Wylie: Yes. We have a built-in business continuity plan, which helps us to understand the importance of the different processes that we look after as a Department. You kick into the most important steps that we would first take when protecting service—getting payments out to people, for example, more so than some of our advisory processes, which are lower down the ladder. There is a documented, understood and triggerable sequence of events that makes sure that we are able to keep services running as much as possible in that scenario.

Sir Peter Schofield: It is not quite the same thing, but we triggered something very similar when we went into the pandemic back in 2020. We suddenly had a surge of people claiming universal credit. There were some days when we had 100,000 people in a day claiming universal credit. What we did is exactly what Helen has just described: we used that business continuity structure to pivot back to the thing that really, really mattered at the end of the day, which was getting money to people who rely on that means-tested benefit money out there—out the door to the people who need it. That is the fundamental laddering that we apply to business continuity events in DWP.

Chair: That is really reassuring—thank you, both.

Q64 **Mr Betts:** Coming back to the effect of IT systems on the customer, to what extent is your ability to deliver a better customer experience held up by the legacy systems in the Department, particularly as they do not often relate to each other? You have different chunks of information in different places, and it is difficult to give the customer a comprehensive answer very often to issues.

Helen Wylie: These are the underpinnings of our transformation programmes. To give it a frame, our intent is to provide services where customers can do more for themselves where they are able to. We have heard about the presence of work coaches in GP surgeries. We have mobile vans out across the country now, making sure that customers can access them, but there is also a digital equivalent where we are putting more capabilities online. We have heard about state pension. We have heard about child maintenance and universal credit. Where we have been able to invest, we are able to really put these services in the hands of people who are able to use them to do more for themselves.

Similarly, we are helping our colleagues to be able to deliver the better services that I spoke about. We are giving them more and more time within their working day—computers do the things that computers do, and people are able to do the things that people do best. That is our overall framing for our transformation journey. You are right to say, though, within that, some of our legacy systems do not make that particularly easy, which is why we have this three-year plan to address them. We do have data that is fractured and in multiple places. Our intent is to start lifting that out and putting it in a place where people can see it all side by side, way more easily than they were able to previously.

For customers, we have just launched something called a customer account. We have had half a million people already who have been able to download a proof of benefit letter—something that they are able to show to people to show that they are in receipt of a benefit. This is the first thing that we have stood up for citizens to be able to do things across multiple benefits, rather than just one by one. Similarly, we have something for our colleagues providing basic information about a customer who has got in contact with them, again across benefit lines: something called Colleague View, which is now in the hands of 10,000 of our colleagues via the service modernisation programme that we spoke about before.

We are working to break out of the data buckets and the legacy systems that have been very siloed and fractured historically. We are starting to see glimpses of this transformation appearing in front of both our colleagues and the citizens at large.

Q65 **Mr Betts:** I have two questions arising from that. Are there still obstacles within the IT systems, and what are the biggest changes you want to make? You also mentioned three years—does that mean everything will be sorted in three years?

Helen Wylie: Our way of tracking progress is to aggregate the risk scores for every single system we have categorised, and to target a reduction in that aggregate risk score. This year, we are going after systems that will enable us to make headway, to start making a reduction and to start making progress. By the end of the spending review period, on our current trajectory, the risk score is coming down by 58%, which is a significant reduction in technology debt.

Q66 **Mr Betts:** Risk of what?

Helen Wylie: Legacy tech debt risk. The framework basically enables you to put a score on each system against a number of dimensions. For some of the technologies in support, do we still have access to skills in the marketplace to look after those technologies? Are we reliant on a vendor that is going out of date, does not exist any more or has declared something to be end-of-life? There is a framework that you can put a score against. If you add them up, it gives you a score for the system. Our approach is to have an aggregate score for all our systems, and our programme enables us to reduce the score over time to get to a number that is 60% lower.

Q67 **Chair:** Clive, can I just interrupt you there? We want to get this on the record, and we want to clarify exactly what Helen just said. As I understand it, you just said that by the end of the spending review period, 2028-29, you will have got the aggregate tech debt risk down to 8%. Where does it stand at the moment?

Helen Wylie: We are going to reduce our overall aggregate score so that it is 58% lower than it is today, if that makes sense.

Chair: That is really helpful.

Q68 **Mr Betts:** What problems are you going to be left with after three years?

Helen Wylie: The problems we will be left with are on systems that support a very small number of customers doing very niche processes. As an example, we have very discrete systems that do processes like pension sharing on divorce—very bespoke, niche systems that affect a relatively small number of our colleagues and, more importantly, a small number of our customers. They are in the latter years of the technical debt remediation plan, whereas some of our bigger systems that affect a larger number of customers and colleagues are in the earlier years of our overall remediation plan so that we can reduce the risk level more quickly.

Q69 **Mr Betts:** So in those big areas with bigger numbers of customers, the legacy systems will be dealt with in three years' time?

Helen Wylie: That is right. We are picking services off our most risky systems and moving them into more modern technologies.

Sir Peter Schofield: Just to give you a sense of the challenge, the thing about DWP is that we deliver a very complex policy agenda with a very complex set of interlocking benefits. There is always a very rare combination that is delivered by a bespoke system, and if you just go down the route of transforming the big things, you will leave behind some of the smaller things, which need to be addressed at some point because, as Helen said, some of these systems go out of support. It is not that we cannot protect them from cyber-attack, because you just put layers and layers of protection over them. But fundamentally, if you have no one who has any understanding of the code that underpins them, you cannot update them and you cannot deliver service enhancements, and obviously the data will be stuck as well.

Q70 **Mr Betts:** How far are you looking at these as individual problems in different legacy systems, and trying to do each one? Do you have an IT vision for the whole Department?

Sir Peter Schofield: You have hit the nail on the head. This is absolutely it. We set ourselves an agenda about a year ago of setting out what we think DWP needs to look like in 2030. With all the things we have talked about, we have gone from left to right; we are going to enhance, improve and develop. If we start from right to left, it would be: What do we want the system experience to be? They interact with DWP once, they share data with us for one benefit, and we can use it elsewhere and draw on that data from other parts of the public sector. We can have an online journey for everyone for whom that is suitable, and we can think about rationalising the nature of the service that we offer in a more coherent way, so it is joined up for people—a modernised service that people would expect.

We have a big transformation plan over the next five years, of which service modernisation and HTP are part, but they have to be seen in this bigger picture of driving improvement in the key clusters of activity until we can bring it together into a single customer experience. That is at the heart of this. It is why we have this north star in terms of where we want to get to.

Q71 **Mr Betts:** That is your vision for DWP. Earlier we talked about the extent you interrelate with the Department for Education and the Department of Health. How far are you liaising with them so that your IT systems join up across Departments as well as within the Department itself?

Sir Peter Schofield: There is a lot happening on that front as well. What I have described in DWP is already pretty ambitious given our scale. You are right that we want to be able to share data across the board to achieve a lot of the potential. Quite a lot of that happens already, particularly between us and HMRC. We pay universal credit based on a monthly feed of PAYE data from HMRC and automatically calculate the rate. That happens hundreds of thousands of times through the year and works pretty effectively. Likewise, we are drawing on some of that data to help us improve our work on overpayments in carer's allowance, and there has been a lot of focus on that in the recent past.

How do we build from that? I talked earlier about data from the NHS on health conditions. Maybe we do not need to ask the same question of a customer for a disability benefit because we already know the answer. If a visit to a GP triggers a change of circumstances, which has implications for someone's PIP entitlement, could we learn that as well? We have the Government Digital Service and colleagues in the Department for Science, Innovation and Technology who own that whole story. We are working together with them on key parts of that idea. That includes having one login so that we can all share a single way of verifying someone's identity—so once you have done that in one service you can do so elsewhere.

In answer to your question, we need to pick the big areas. It is not going to be easy to do that across the board. We should pick the big wins where the interrelationship between Departments can add real value, areas such as identity, and work on and embed that. That is the vision.

Q72 **Mr Betts:** Have you looked at countries such as Denmark, which has done some fairly fundamental transformation of its services?

Sir Peter Schofield: We had a team go to Denmark quite recently. It was led by Neil Couling, who the Committee will know. One thing it found that Denmark did right 15 or 20 years ago was its decision to blitz legacy technology. It made a big investment and got everything off of the legacy technology and started again. Estonia is another great example where it had the opportunity to start again and build back from that. We have visits to Denmark and great relationships across Europe and with some of the other countries in the Windsor conference, which is Canada, Australia, New Zealand and Ireland. We have great conversations with them about what they are doing. The way to do it—if you can—is start again. That is clearly not easy in our environment. For me, a lot of this is about identifying the north star and where we want to get to so that every step you take is converging on that endpoint.

Q73 **Mr Betts:** I have an additional question about AI, which is something that gets talked about an awful lot. Do you have examples of where AI has been used to improve your services? Coming back to legacy IT systems, is the age of those systems and the poor quality of data an obstacle to developing AI in the way you want?

Sir Peter Schofield: We do use AI. However, real transformation starts further back than just the AI cherry on the cake; it starts with getting the policy clarified and simplified and having simplified processes. Often simple automation gets you quite a long way and then AI can do things on top of that.

Helen will have other examples, but I will pick one. I was up in Newcastle a few months ago with the child maintenance teams. They use AI to assess those cases where the payment relationship between two estranged parents has fallen down and the payment has fallen. They have used machine learning to work out, from thousands and thousands of cases, the circumstances that might lead to that. They then apply that learning to cases that are in flight now. When they see the signs of those issues coming through, before a payment has broken down, they can trigger an intervention by a colleague to get in touch with that customer. It may be that the customer has changed jobs, or changed bank accounts, and the direct debit is going to be lost. They can get in there before that payment has been missed and take action.

That is an example of enhancing—getting ahead of the curve of the problem. When you try to put a payment back into payment when it has broken down, it is really time-consuming. The stitch in time that you can make with an early intervention before it has gone wrong is a way of saving cost down the road and, crucially, of avoiding a family missing out on a monthly payment, two monthly payments, or whatever the problem would have led to.

Helen Wylie: To pick up the last two questions, this is an area where we are working closely across Government and more broadly. The use of artificial intelligence is such an emerging area. There is huge opportunity, and a huge responsibility for us to use it safely and ethically, and to make sure that we are introducing it in a way that is transparent and open to all. We have worked closely with our colleagues in DSIT, GDS and across other Government Departments. Last Friday, I talked to someone from Sweden about their experience of experimenting with AI solutions in their own version of our Department. There is a lot of information sharing in this space. We are starting to see where we can safely, as Peter has described, introduce help to our colleagues to enable them to target their time on the things that add the most value.

We have also been able to build AI solutions into processes within some of the systems that we use. There was a process for ESA that took a condition that someone had filled in on a form and matched it to a defined list of conditions. The match rate was quite low; it was a percentage in the low 30s. An AI model was brought in—it is part of our declared transparency standards—that has taken that match rate to over 80%. Those small improvements that we can build into processes help us to process benefits more efficiently. So, yes, we are looking for those opportunities but we know that we need to balance that with responsibility.

Q74 **Chair:** I will repeat a question that I asked a little while ago. We have had both your answers on these transformation programmes and know that in five years' time, if they both work—and they are big transformation programmes—you should be much more cyber-resilient. But are you absolutely certain that you have considered every possible risk in the interim to try to prevent cyber-attacks?

Sir Peter Schofield: Very much so. Helen referred already to the adaptive security programme that we set up four years ago in DWP. That is based on the National Institute of Standards and Technology framework that is used industry-wide. It gives me a metric that I can chart. I meet the team every quarter and I can compare where they have got to on each of the different elements. It gives me some reassurance that we are making progress.

At the end of the day, cyber is an arms race and you can never be sure. That is why it is right up there in the risk aggregate that we focus on, and why we spend so much time thinking about and caring about it. I assure colleagues on the Committee and, through you, citizens across the country that we take this issue really seriously. We want to protect data and keep our services going because DWP plays such an important role in our society.

Chair: Finally, Tris Osborne wants to come back with a point that we have not covered.

Tristan Osborne: You might be aware that the Minister has spoken to the Work and Pensions Committee about the merger of NCS and Jobcentre. Some concerns have been raised in that Committee and I want to give you a chance to enunciate, broadly speaking, the detailed strategy of that, and your plans for the merger. I think that you are reporting back to that Committee, at some point, about that strategy. There have been some concerns about staffing and procurement as well. They have raised those concerns; obviously, you will report back, but can you tell us anything now, prior to the report, about when we will see a detailed strategy around the merger, which they have raised as a flag?

Sir Peter Schofield: I will turn to Barbara, who is overseeing the merger, to say a bit more. The crucial thing is that we have until 1 October 2026 to get this right. We want to make sure that the expertise comes across into the insourced service. It is important for us that it is insourced rather than delivered through prime contractors, so that we can try different things. It goes back to what we were saying about a jobs and careers service being an opportunity to pilot things and try new things, rather than having to negotiate them through a commercial contract. We have time to get it right, and Barbara and her team are all over trying to make sure that we do that and keep both our excellent service to customers and, vitally, the talented staff that we want to bring over from the existing providers.

Barbara Bennett: I do not have much more to say. We talked earlier about needing to make sure that the service is integrated, that we make the most of the place, the service and the skills that both organisations—the National Careers Service and ourselves—are taking advantage of, and that we establish how we will test and learn. A fundamental pillar of the jobs and careers service is getting the right people with the right skills in the right areas with the jobs available. We talked about some of the opportunities of the National Careers Service merger. I am really pleased that we have someone coming in very specifically and deliberately to look after that merger, so that we make sure that we look at the commercial aspects and the people aspects of it, and that we test and learn to really maximise its benefits.

Q75 **Tristan Osborne:** Will the transition plan be presented to the Work and Pensions Committee as per its request? Also, there were some questions about how the £55 million in the Budget was allocated and whether it has been spent.

Barbara Bennett: The £55 million is for the jobs and careers service more widely, not for the National Careers Service. We will continue with the same level of rigour and scrutiny to report how we are spending across all our business cases, including the £55 million for the initial stage of the jobs and careers service, which we are in at the moment. We will report back on that.

Chair: It has been a really interesting session. I feel a lot more reassured on some of the questions I had before the session. I think these follow-up sessions are useful, because we can catch up on where things are not quite as we would like them to be. Thank you very much, Permanent Secretary and your two colleagues, for coming today. An uncorrected version of the transcript will be available in the coming days, following which we will produce a Report with recommendations, which no doubt you will consider in due course. Thank you again.