



Work and Pensions Committee

Oral evidence: DWP's preparations for changes in the world of work, HC 358

Thursday 11 February 2021

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

Questions 180 to 236

Witnesses

I: Mims Davies MP, Minister for Employment, Department for Work and Pensions; Jonathan Mills, Director General, Policy Group, Department for Work and Pensions; and John Paul Marks, Director General, Work and Health Services, Department for Work and Pensions.

Written evidence from witnesses:

– [Add names of witnesses and hyperlink to submissions]



Examination of witnesses

Witnesses: Mims Davies MP, Jonathan Mills and John Paul Marks.

Q180 **Chair:** A warm welcome, everybody, to this meeting of the Work and Pensions Select Committee. Minister, welcome to you and your team. Thank you very much, all of you, for joining us this morning. I know that you wanted to make a couple of opening remarks, and perhaps you could introduce the members of the team who are with you as well.

Mims Davies: Good morning to the Committee. Thank you for inviting me to join you today. I am here alongside two of DWP's senior officials, Jonathan Mills, Director General for Policy, and John Paul Marks, Director General for Work and Health Services. We are looking forward to answering your questions today and providing an insight into how our Department's work is already having a positive impact on our claimants' employment prospects. This will also show how we continue to play our part in spurring on our economic recovery and helping to build back better.

This inquiry's scope is of course very broad, encompassing the wide variety of technological changes known as the fourth industrial revolution, including widespread automation of processes and the use of digital technologies and data. It is fantastic to be joining you from home. I think that many of us are already this morning working differently, productively and proactively so we can embrace this. Of course we are seeing the impacts that digital and data technologies can have on work accelerated by the Covid pandemic. We have all had to change our ways of working to respond to social distancing, making greater use of new communication technologies, and automation has very much enabled us at DWP to support people and react to the pandemic, with Universal Credit able to respond to unprecedented changes in demand and a rapid rise of data underpinning our ability to respond to the virus.

It is not just a question of the changes that may happen in the future. We are already seeing that change today. Our work coaches at DWP and in our jobcentres are at the front-line of these transformations in the labour market and the economy. We are making sure that they are equipped to help people make the most of new opportunities that are emerging. In the immediate term, of course, we are trying to create the most efficient way to support people through this pandemic.

As Minister for Employment, I also know that the Department, like our claimants, cannot fully plan ahead for every single eventuality. Reacting quickly and effectively to unexpected events, as we have done in the last year, is par for the course and to be expected. We do continue to scan the horizon for emerging trends that are already happening and finding ways to adapt how we work to deal with current circumstances. The Covid-19 pandemic has brought challenges that very few of us could ever have imagined this time last year, when I was planning for the labour market as we moved into Brexit and post-transition. As testament to the



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agility and flexibility of DWP, we have swiftly redeployed staff to support our remarkable jobcentres, which of course have remained open throughout to process a huge influx of Universal Credit claims, which have increased by over 90% since this point last year.

When that initial surge of claims plateaued and public health restrictions began to ease last summer, we moved again quickly into the rollout of a comprehensive package of employment support on an unprecedented scale not ever seen before in modern times. This is our Plan for Jobs. To support our young people, we launched our Kickstart scheme, a £2 billion fund, to create thousands of high-quality, six-month placements, aimed at those under 25 who are on Universal Credit and most at risk of long-term unemployment. Kickstart has already got off to a flying start, with over 120,000 new roles approved. We are working tirelessly to convert these into starts. We are listening to employers and continue to make improvements to the scheme as we go. Employers can now choose to apply directly into the scheme, regardless of the number of placements they are offering, or go through one of now over 700 fantastic approved gateways.

In addition to Kickstart, we have established a new enhanced DWP youth offer in September. This has seen the Department increase the support via a 13-week Youth Employment Programme, YEP, which helps young people to gain the skills and experience that they need and that employers are looking for and referring them directly to the most suitable local support. This could include a variety of our programmes, including sector-based work academy placements, our SWAP schemes, traineeships, work experience and apprenticeships.

Job-finding support has also been launched last month. It has made rapid progress in helping people very quickly into work. This is new light-touch support provided entirely by us online. It is helping those who have been made unemployed and claiming benefits within the last 13 weeks. It is a new digital support service that is in operation across Great Britain. We expect this vital new digital service to help up to 160,000 people over the course of the next 12 months.

I am just about to conclude, Chair; I promise not to hold you up much longer. This dovetails into our JETS support scheme, which will help over 250,000 people in the labour market, launched in England and Wales in October and in Scotland in January. This is helping people with their CVs, understanding people's abilities to move into new and growing sectors and giving them that interview help that they need. We have the Restart scheme of course coming this summer, so our Plan for Jobs is ambitious.

For those with health conditions or disabilities, Access to Work continues to be available to assist people to overcome barriers into employment. We remain committed to increasing the number of disabled people in work and this will be a key tenement in our Green Paper. None of these



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schemes of course could be delivered without our work coaches. We are increasing them by 13,500 this financial year.

Hopefully, as I conclude, this shows that DWP is in the right space to be reactive and forward thinking and that we can adapt to the labour market as it evolves over the coming months and years.

Q181 Chair: I have the first question. We know, and you have touched on it, that automation is going to change the labour market. What assessment has the Department made of the impact of this fourth industrial revolution on future levels of employment and of unemployment?

Mims Davies: One thing that I learned very quickly when joining DWP is that we plan for a range of scenarios and I think that is absolutely the right thing to do. The ONS estimated 1.5 million jobs in England could potentially be at risk of being automated. That was in a forecast back in March 2019. The Office for Artificial Intelligence reports that the pandemic has accelerated the adoption of new technologies across sectors, but we do know that technology also brings great opportunities in work creation, in inclusiveness, in helping people to be productive and also in increasing wages.

Jobs that are at the highest risk are potentially lower-skilled manual or indeed repetitive work. According to the ONS, the three occupations with the highest probability of automation are waiters and waitresses, those hospitality roles, shelf-filling and elementary sales roles. For the doctors on here, medical practitioners are at the lowest risk and higher education teaching professionals and senior professionals in educational establishments. We are absolutely understanding of the potential impact of what we are seeing in the labour market now and what we are doing in the future.

On the International Day of Women and Girls in Science and as we celebrate those in science and tech, particularly those who have been at the forefront of helping us battle Covid, we do need to recognise the opportunities that tech can help with. For example, automation and tech in the care sector can be very helpful and empowering. We do have strong employer relationships, understanding and working with people like Microsoft, Google Digital Garage, the Open University and BT Openreach to make sure that those looking to get into the labour market now have the opportunities and the skills that they need. We are very linked into employers' needs, both now and in the future.

Q182 Chair: Will you track the impact of technology adoption? You have made the point—and I think that you are absolutely right—that the pandemic has accelerated things here. Do you intend to track how technology adoption unfolds and how will you be doing that in the months ahead?

Mims Davies: We collect a range of data and information to support and develop effective policies, and I will bring Jonathan in on this shortly. We do also receive a range of data from other Departments, as you would



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expect, DCMS around AI and tech and of course BEIS. DWP collects data itself and we are learning from some of that escalation of trends and changes because of the Covid pandemic.

Jonathan, are there some particular studies we have been taking note of? If I am honest, Chair, this time last year I had a conversation with my labour market team and said, "How do you think this virus in China could affect our labour market?" as we were thinking much more around the fourth industrial revolution and automation and that was something we were planning for. Certainly what we have had to think about in the last year has changed quite a lot, but I am keen to bring Jonathan in on this.

Jonathan Mills: Yes, we do keep closely in touch with how these impacts are panning out on the ground. It is interesting: if you look at the ONS study that the Minister referred to, it cites a figure of 7.4% of jobs being at risk of automation in 2017, but notes that that has fallen from 8.1% in 2011. It hypothesises that some of that risk is crystallising already, that you are seeing that automation happening already. That is the reality that our work coaches are in touch with on a day-to-day basis.

We have a particular role in government, but we need a whole-government response. We work closely with the Department for Education and the Department for Business, Energy and Industrial Strategy in formulating the response across government, but our work coaches, because they are particularly closely in touch with the local labour market, are seeing this play out in reality. They are seeing this in the employer demand that they have for jobs and are able to take on a local leadership role as well as a national strategic role for the Department in feeding back on our understanding of all of this.

This is a very fast-moving picture and I would not pretend that we are able to do more than plan on the basis of scenarios, as the Minister has set out. There is a lot of uncertainty here, but we do play into that government-wide response.

Q183 **Nigel Mills:** I am intrigued by these scenarios that you were just talking about. What does the main case scenario look like? Is that the ONS number or does the Department have a different view on what the amount and speed of job disruption could be?

Mims Davies: Nigel, what we are doing is trying to work this off the back of our aims more broadly across government. Against international rankings, the UK is third in the world in terms of the implementation and solutions around AI. We are determined to develop the adoption of technology that can also be grounded alongside human rights, inclusion and diversity, innovation and economic growth to find that absolute balance.

As we discussed, technologies and the changing nature of work available means that we need to be understanding the existing skills and planning for the emerging jobs. We have a role in that. If you go back to the PwC



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study that talks about 2030, it says that, if widely adopted, UK plc could have benefited by £232 billion. As I spoke about earlier, the impact on particular areas because of automation, maybe women or part-time workers or younger people, could affect things. That is why we are planning for the range of scenarios. Perhaps Jonathan can delve into that a little bit more to help you, Nigel.

Jonathan Mills: In terms of the core of our planning, we, like the rest of government, use the OBR—the Office for Budget Responsibility—economic forecasts. Beyond that, as the Minister has already alluded to, there is a wide range of external analysis and planning from employers and analysts and so on, and we test our longer-term response against those different analyses of how things might pan out and then seek to find solutions that are flexible and resilient to a different pace and direction of change.

A lot of this comes back in the short term to being flexible and responsive to employers, because employers themselves are working through these changes on a day-to-day basis. If you look at programmes like our sector-based work academy programme, the SWAP programme, that is grounded in employer demand for skills. It is training linked to a job interview, so that is very closely linked to where employers think demand is growing for skills in the future. The core of our work has to be around the OBR forecasts, which are the planning basis across government.

Q184 **Nigel Mills:** Does your data give you any idea of how many jobs the Department thinks were lost to automation last year, how many it thinks might be lost to automation next year and how many new jobs were created due to automation last year and maybe next year so we can see what the scale of that is? Do those match up or is there a loss that you are expecting higher than the gain?

Mims Davies: I was just going to say that it might be worth bringing JP in as well as Jonathan. There is huge regional variation on this in terms of automation changing warehousing or other particular areas and creating opportunities. We are obviously seeing online shopping and ways of delivering and doing things differently.

Q185 **Nigel Mills:** Yes, I accept all that, Minister. Jonathan was talking about having some scenarios and I was just trying to see whether he could give me any of the data off the scenarios and the data that are being gathered or whether that is top secret and we cannot have it.

Mims Davies: Jonathan, do come in.

Jonathan Mills: On your specific question about being able to attribute the changes in employment level rates to automation on a year-by-year basis, I am not aware of any data that are able to do that because in any given situation there will be a wide range of factors determining why jobs are created or lost—obviously during a pandemic, but more widely too.



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External analysis does do that from time to time. People try to do that sort of assessment. The PwC work that the Minister has talked about is one example of that. We would use the OBR's forecasts for the central economic case and then we would test our response against the analysis that is being done externally for different scenarios on how automation might impact.

John Paul Marks: If I could build on that, with apologies for the background noise: the construction sector is doing some fabulous growth next to my window, so I am happy to say that that is working.

On this point of causation, if you take warehousing, which is often a typical target for the automation theorists around change in demand, we have seen massive growth in vacancies in warehousing jobs. Recently I was talking to my team in Wales, where they were supporting our customers to travel across to Bristol to access Amazon vacancies, for example, because of a growth in online shopping.

There are so many disruptive factors, as the Minister said at the beginning—the pandemic, other factors that have changed this year as well—that changed the local demand. The thing that is most important for us to do as Jobcentre Plus is to be responsive. If suddenly either a factory is shutting down or a factory is setting up, we are able to pivot more to meet demands and work with colleges to ensure that there is training for people to pivot sectors if that is what is required. We use things like our rapid response service, our Flexible Support Fund and our data to track that to know unemployment is up in, for example, the home counties more than it is in Scotland in a particular period and then we will recruit more work coaches to cope with that demand in the home counties.

Q186 **Nigel Mills:** I was going to ask whether, when we talked about scenarios and gathering intelligence, that was in a coherent form that gave us some predictions, but perhaps it is not that easy.

You just mentioned that an important thing was being responsive. To remind you, I think that back in 2014 the UK Commission for Employment and Skills recommended that the Government should develop a coherent and comprehensive long-term strategy for ensuring that the low-skilled can respond to the challenge of a radically shifting labour market. That implies being a bit more proactive and being ahead of the curve rather than just responding wherever it might turn up. Was that strategy ever produced or was that a recommendation that was quietly parked?

Mims Davies: Nigel, I think that what you are alluding to, and it is right, is better cross-government understanding about skills, employers and what is happening. I do not know what has gone before on that. I think that the pandemic has allowed myself, alongside BEIS and DfE, to start to work together and to try to be less reactive, which I think is what you and many employers, stakeholders and people that I engage with are asking for.



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That is showing in some of our work with BEIS and DfE regarding the PM's 10-point plan around the green industrial revolution, which is focused on 250,000 roles of higher skills and tech skills. That does require a joined-up approach and a proactive response across government and not to be led by those external factors and that we are in control of them. That is some of the work around AI. It is around our commitment to be at the forefront of AI and about our understanding of the impact of automation on our labour market.

If you are asking us to be more forward-thinking about it, I am very proud that we are and it has been an absolute focus for me. Some of the work that I am doing currently is working with DfE around its National Skills Fund, the plans that it has for digital boot camps and how our claimants can be available to be on those particular programmes. DfE is actively working with us and employers to make sure that those programmes fit the needs of the local labour market.

For me, one thing that I am very driven by is understanding a local labour market. That is very important and quite often a frustration for employers. Of course off the back of this we have people—and this has been shown through the pandemic—wanting to recruit more locally. They want to be more inclusive, they want to reflect their local community and they also want to have that guarantee of good labour and the right skills. That is where DWP, working with BEIS and DfE in pulling all of this together, has a role in shaping what happens next rather than solely being reactive.

Q187 Nigel Mills: Somewhere there is a plan that says, “We think these industries are most at risk and they predominate in these areas and therefore we think that there is a risk of a large number of jobs being at threat in this area”. The plan is to try to attract these new industries in there to replace them and that that is coherent and joined up rather than just waiting and seeing. We just do not know which sectors and where and what so we will do something when it happens, but we are not going to do anything up front to start proactively retraining. It is responsive, “See where the fire starts and we will try to put it out” rather than try to get there ahead of it?

Mims Davies: I would like to be a bit more confident than that because Jonathan and I are working cross-government around skills and a skill-matching exercise, alongside DfE and BEIS, to better understand the skills and the routes we need into priority sectors. We know as well through our vacancies and the structural problems in the labour market, the fact that we are still heading towards 600,000 vacancies, that they are often in the care, construction, agriculture and logistics sectors. That is where our sector-based work academy programme is able to be responsive.

JP has been actively working with the haulage industry. It had spotted a need and we are actively working to fulfil that need. I would like to think that there is more cross-government work going on here and if we need



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to exemplify that going forward, I understand. JP, do you want to talk about the work around the haulage sector in particular?

John Paul Marks: Yes. This was just an example to reassure the Committee. Absolutely, as you say, let's be responsive to local change, but also then work with sectors to understand their future needs, their understanding of those needs and what we can do to help them.

A good example for me has been working with the Road Haulage Association. Eddie Stobart is looking at the sector, where there are various challenges around average age, entry, brand, training, licensing, where they have unfilled vacancies and lots of demand. We are working with them to try to make sure we are supporting on the supply side around that training and the use of the Flexible Support Fund to help that sector get ahead of risk and enjoy growth in the future. It is obviously a critical national infrastructure with key worker status in the pandemic, and it is essential for us to do that, working with them and working with our local colleges and sectors.

We have other examples like that. Our national employer partnership team will work, for example, with the care sector or with the NHS to make sure that we are helping entry-level candidates or higher-level candidates joining the health and care sector. We try to make sure we are both responsive locally and then together strategically with our sectors and their representatives helping to remove barriers, understand future demands and make sure that we are doing everything we can to have trained capacity to meet that demand as it comes down the track.

Mims Davies: Jonathan, do you want to add something on the green jobs and the proactive work that we are doing around those sectors? In fact, I am yet to meet someone in engagement who says they do not want a green job. They cannot come fast enough. There is a real passion and interest that people have for this.

Jonathan Mills: Another area where we are able to have a very clear direction for the future is around green jobs and the Government's very strong direction and commitment in this area. The Green Jobs Taskforce, chaired by the Secretary of State for Business, Energy and Industrial Strategy, is bringing together industry leaders from across the sectors affected by that. We have a close interest. We are working closely with BEIS on that because there are lots of jobs that are created by the infrastructure investments that we need to make to meet our carbon targets, which offer good opportunities right across the country for the people who we work with in our jobcentres.

We are working to make sure that, on the same basis that JP has discussed, we are thinking about where that is going to fall geographically, what sorts of jobs we are talking about, where we are talking about people working in renewable power, where we are talking about people fitting smart meters and fitting new infrastructure for different energy supplies, and how we can link that into the local skills



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provision. Again, it comes back to the fact that our work coaches and our jobcentres can link all of this up at a local level and bring in the other provision that we need.

Chair: Thank you very much. Sir Desmond Swayne.

Sir Desmond Swayne: I think that we have just been all over it, Mr Chairman.

Chair: All right; I will bring you back later, Sir Desmond—thank you. In that case, we will move on to Selaine Saxby.

Q188 **Selaine Saxby:** Thank you, Minister, for coming along this morning. My question is around geography and the different parts of the country. What research has the Department done on how changes in the labour market could impact on different geographic locations and how that might link into the Prime Minister's levelling-up agenda?

Mims Davies: Thank you, Selaine. I am delighted to know that your local college is going to be a Kickstart employer. I know that the pandemic has had a particular challenge in your part of the world in tourism and hospitality, so this is very pertinent for you and for me and we need to get this right.

People getting into work and progressing in work is key in all areas of the UK. We are playing an essential role through the Plan for Jobs, which is a £30 billion intervention, as I alluded to in my opening speech, whether it is JETS, JFS, Kickstart or it is around our sector-based work academy programmes.

We are establishing regular engagement with government partners on recovery groups. I am on one, for example, for London and also on high streets, working with BEIS to make sure that we understand all the different challenges from coastal to centres of big cities, to see that we have the right mix of labour market interventions at that national and local level, which include flexible provision driven by local need as well. That is why understanding what is going on in your area is very important for valuable expertise and knowledge of local labour markets. That is where we can use dynamic purchasing through our Flexible Support Fund to give additional training and support to people and recognise regional inequalities and absolutely try to focus our levelling up to something that feels real.

This is a nice phrase, but what does it mean? For me it is about outcomes, those people with the barriers in the labour market where they did not get the benefits when we had the jobs miracle. It means delivering on our commitment to the many more disabled people in the workplace by 2027 and it means understanding what those barriers are. That is where the Flexible Support Fund is crucial as well. That is where our next stage of the Shared Prosperity Fund—and more details on that coming soon—is important. The Flexible Support Fund has been transformational for people. There are some great examples that I have



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seen of people who have been able to get laptops, tyres on their cars, new suits, additional broadband or extra training to deal with that individual person's need. Geography does not matter on that, to be honest.

For me, it is about the barriers and the challenges. The other thing that the Committee will be interested in is our work around the progression agenda, which is very important. We have seen that this pandemic has shown a lot of people do not have the savings or the resilience for what this pandemic has brought to them. We want people to absolutely get up that employment ladder, to be able to save and be more sustained if problems come in the future.

Baroness Ruby McGregor-Smith is leading our in-work progression work. I am very excited about the work that she is doing. I caught up with her yesterday and I am looking forward to her report. She is working with Baroness Wolf at No. 10 with the big interest that they have there. I am hoping what you are asking, Selaine, is that no area of community is left behind and that is absolutely what we are focused on. That is where DWP comes into its own. We have currently over 630 jobcentres, a foot in every constituency and community and an understanding of the local labour market and the challenges that our claimants have. I don't think our work coaches have ever been more empowered and felt more confident about the breadth of interventions they have had.

It gives me a fantastic opportunity to say that I couldn't be prouder of the work that DWP did around the start of the pandemic and what it is doing in terms of supporting people. I had a fantastic piece of feedback just this week about how JFS and JETS had helped people who felt very despondent in the labour markets. We have a range of interventions and that is where our youth hubs as well will come into play, working with your college. We understand the challenges that you have around hospitality or transport. That can also be a real challenge for people. I hope that you will feel confident, Selaine, that DWP has this in hand.

Selaine Saxby: Thank you.

Q189 **Debbie Abrahams:** I want to ask about green jobs and investment in Cumbria, given the proposals around the deep coalmine there. Hopefully you will be directing investment into green jobs in that direction, 8.5 million tonnes of CO₂ to be emitted every year as a result of that development. I do not know if you would like to comment on that.

My substantive question was in relation to the evidence of flexible labour markets and whether you consider that there will be an increase in flexible labour markets. If that is the case, what does that mean for how we protect the health and wellbeing of workers, given the evidence of the detrimental impact that this has on both physical and mental health?

Mims Davies: I don't think I can say too much on something in relation to the planning and how that decision will impact on the local community that way, but what I can say is that where there are green jobs or



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opportunities or training—and it is right for all the community, absolutely, as I said earlier, employers and infrastructure—it is important that we have that local labour market and we can be responsive to that. It is very important for us to have that.

If you are talking about the flexibility of labour around gig workers or people perhaps on zero-hours contracts, the majority of people on zero-hours contracts, just over 3 million, generally do around 30 hours a week and they are generally happy with their scenario. But having said that, BEIS has been working to strengthen understanding around employment rights and that sits with it. I do believe there is an employment Bill coming forward.

I would suggest to the Committee that a big focus on that should be in terms of talking to BEIS. I do have a great interest in this, as the Minister for HSE, and I am incredibly proud of the amount of work that it has done, well over 100,000 visits into workplaces to support people in keeping safe, understanding their rights and how things should be going during Covid.

Q190 Debbie Abrahams: This is something we are pursuing with HSE. Since you are asking about this, Minister, perhaps I could raise our concerns as a Committee that there have been no prosecutions at all in relation to Covid in occupational settings and yet we know that there have been outbreaks in different occupational settings. Do you think it is a mistake, since you are raising this, that RIDDOR does not require Covid reporting?

Mims Davies: HSE has responded where there have been concerns. Even at DWP, where we have had the majority of people working at home and flexibly working around their caring responsibilities, we have tried to obviously keep our jobcentres open and rightly adhere to the Covid restrictions, but also balance the needs of our workforce in being able to stay open for the most vulnerable.

As an employer we, like many others, have been absolutely focused on this. HSE has a strong story to play out here. It has, where it has needed to, acted and stepped in. It has always been pragmatic and appropriate and proportionate in the way it allows people to continue to go to work. Obviously the clear message has been stay at home where you can, but as you rightly alluded to, some sectors you simply cannot work differently.

We do not completely know where people pick up Covid. Was it at the workplace, supermarket—

Q191 Debbie Abrahams: Apologies for interrupting, but it does suggest that there is a failing there, doesn't it, if we do not know where transmissions are happening? We have had 114,000 deaths, one of the worst in the world. We cannot be complacent. Given that the Government have wanted to keep so much of the economy open for as long as possible, do you not think, given the limited capacity of the HSE, that this has been a



mistake?

Mims Davies: I am happy to come back at a further point with HSE to discuss this further because I am conscious that it is not here to put its points. I am also conscious that there is big interest in this, hence I have arranged for—and they should be upcoming for all MPs—an update from the leadership there and from the teams to explain exactly how we have been supporting workforce safety and helping people to stay open and also how we are planning to support people as the economy reopens. Of course there was an additional £14 million given to HSE. I understand that a response to the Committee is imminent so I think it is probably best that we wait to see that and I am happy to return to discuss this further.

In your constituency of Oldham, that is where I had one of my most recent pieces of feedback in terms of our JETS scheme—a fantastic piece of feedback from a lady who was unemployed for the first time in 27 years. It was DWP support with a laptop that has helped her to progress. There are 64 new work coaches in the area at Oldham and there is a new youth hub at the Jobcentre Plus. I would urge the hon. Lady to visit; it can be done virtually. I am not sure whether you have done it recently. I don't have a record of it.

Q192 **Debbie Abrahams:** I have not done it recently, but that is fantastic news. Hopefully the other 7,000 new UC claimants can get the same sort of result. We have had a doubling in the number of claimants since last March.

I will finish the final bit of the question that I was referring to in my original question, which is in relation to not just flexibility around hours, but going in and out of work, which is your responsibility. Those workers, because of the increased flexibility in the labour market, will be moving in and out of work and I think you were saying that we do expect this to continue. What is your Department then going to do to ensure—given the evidence about the impact that has on both mental and physical health of people—that we have a more supportive approach with what people are going through when they go in and out of work?

Mims Davies: In the hon. Lady's constituency there are 64 new work coaches in your own community helping those people who may be in or out of work, which of course Universal Credit supports, whether you lose hours or a job or something changes. We are absolutely on track to support claimants in a variance of ways, for example, the youth hub in your own constituency.

There are mentoring circles currently going on in your constituency to support care leavers. What we are trying to do is whatever section or point you are in the labour market, whether you are a young person, a care leaver or somebody over 50 and perhaps made redundant, as we heard earlier, for the first time in 27 years, that we are there to give understanding through our work coaches, through our Flexible Support



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Fund, through our ability to get additional training and that we can be more agile in whatever life circumstances are going on.

I would urge the hon. Lady to go to her local jobcentre, talk to the work coaches and see what is happening in her community, which is reacting to some of the concerns that she is raising with me.

Q193 Debbie Abrahams: I would also urge you to consult with your Minister for Disabled People, because my concern is if we keep on with the punitive approach around work capability assessment with people who are genuinely poorly, then we are going to have increasing issues with tragedies like Philippa Day.

Mims Davies: As the Employment Minister, those people with barriers and challenges who need more support through the benefit system or through employment support, whether it is access to work, we are absolutely determined to help people wherever they come from, whatever is going on with them to be able to thrive. That is the best thing that members of the Committee can understand by visiting their jobcentres. I know that some members of the Committee have very regular engagement with them and that is welcomed by our work coaches because they do want this Committee and all MPs, and broader, to understand the amazing, good and positive work that goes on in every community, every day through our jobcentres.

Q194 Selaine Saxby: Minister, I am sure you are aware that McKinsey & Company has said that the demand for basic digital skills has been increasing and we have heard much evidence around this. What is the Department doing to help jobseekers specifically build these skills and what more could it be doing to develop them now and into the future?

Mims Davies: We have had a specific programme through ESF to get laptops out to people and to help them with their digital skills. With our dynamic purchasing opportunities through flexible support funds, we are able to help people. I would also like to mention DfE's digital toolkit, which is online and has a breadth of great opportunities for people to get some add-on skills. That can be from basic English and maths to broad-ranging support online. JP, this is bread and butter for you and the operations team and I would be doing you a disservice by not letting you explain to Selaine some of our successes around digital skills.

John Paul Marks: Thanks, Minister, and thanks to the Committee. I would like to reassure the Committee on everything we have asked for from Ministers to help us remove barriers. Our Plan for Jobs will work for everyone so that we can get back to—we hope as soon as possible—record employment rates in this country, not just for certain groups, but improving the disability employment rate, the learning impairment employment rate, trying to make sure that we continue the growth pre-Covid, where we were seeing the main employment rate closing its gap very quickly. Access to Work, record expenditure last year, a doubling of



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the Flexible Support Fund. That is removing barriers for us to meet need in communities.

On the point of skills, you are absolutely right: the caseload has doubled and the demand for training is high. Every jobcentre works in partnership with their colleges in a place-based way, including with their local authority, to try to make sure that we are co-ordinating training interventions that meet local employer demands. This is what sits at the heart of our SWAP programme and our sector-based work academy programme. We are doing on average over 1,000 of these a week. We had an initial target to do 40,000 by the end of the March and we have already exceeded that. We continue to push on every week, in each community understanding the needs of employers and then connecting with the college to put on more training whatever the need might be in that community.

We have a lot of specific things as well. We are doing some work with Google, for example, on digital skills and upskilling with Microsoft around the tech sector and building access, and that fabulous charity, Code Your Future, who support refugees to access new training opportunities with mentors so they can rebuild the coding sector. What we are trying to get across is this point about partnership in community to meet needs and giving the jobcentres all the enablement and empowerment that they need to tailor the commitments and the job goals for each customer. That is something we keep focusing on every day and keep reaching out to our partners to help us get that right.

Mims Davies: I am keen to tell the Committee that just this week advice is going out to our work coaches on something called DWP TAP. This is very new, this is an extra sector-based work academy programme working with DfE, with their White Paper, with the understanding that some people might need longer to retrain, add on skills and do those longer courses. A work coach will be empowered to work with that claimant so that they could be perhaps supported through UC longer than currently the six weeks that we have through the sector-based work academy programme. As JP said, we are doing absolutely everything we can to focus on barriers that might be holding people back, but above all listening to employers and the needs that they have.

I recently met with the Chamber of Commerce in the Newcastle area to talk about Kickstart and on that call it was clear that there were 100 jobs nearby where they needed people with stronger digital skills than were available. We got straight on that and got those people filling those vacancies. That is why that real knowledge and understanding of the local labour market is just so important. That is why we are flexing everything we can to support people to have those skills and opportunities that employers need.

It might be a good time to talk about some new partnerships that we have. We already have some in Birmingham and Manchester, where there



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are mayors in combined authorities, really strong interventions. We recently launched a new one in Southampton and our next one will be in Bristol. JP, it might be worth feeding this in because it also fits with the levelling-up agenda and the barriers challenge that the Committee is interested in.

John Paul Marks: I am very happy to. The Minister and I launched the Southampton partnership recently, which is a good example where we are talking here about growth and skills and conversations around free ports in Southampton. We were joined by the vice-chancellor of the university and it was all about the jobcentre, the local authority, business and the skills infrastructure of that fabulous city joining up and driving growth in Southampton for the next five years.

We are trying that approach across the country with the mayor in the West Midlands, where we have a published partnership agreement. As the Minister said, we are connected into partnerships with Liverpool and Manchester and I met with the Nottingham chief executive. We are constantly trying to co-create value in the communities as place-based actors. We recognise that we are an enabler in a system and that is operating locally. Of course if customers need that training and support, they can access it. As the Minister said, there is more flexibility to support the work coaches to do that. If a barrier exists, "I need a laptop; I need a suit; I need support in my travel costs; I need support in my childcare costs", we can pay for it through our flexible support. We have seen our expenditure going up in the last few months as well.

This is a constant mission, to continually connect communities to thrive in this way, but it is something that works when we get those relationships right. I would say if anybody genuinely wants to come and see the jobcentre teams and chat about what they are up to in your community with your constituents, they do love it and it gives them a boost. You are welcome anytime.

Q195 **Selaine Saxby:** Thank you. Could I just clarify one more quick point around this? In a constituency like mine, we have a much older community and many people now in their 50s looking for work who have not ever had digital skills. We are a community with virtually no broadband in many parts as well and they have not needed to have those skills. Are you confident you are reaching those people? Obviously the younger people have these digital skills, whereas some of the older generation don't. It is a big ask, I would say, for them to move into that space. I know we are worried about the young getting into work, but is enough being done to facilitate those people in their 50s who potentially have 20 more years of work to get back in and fill this digital skills gap?

Mims Davies: I am so pleased you asked that, thank you. We are just about to relaunch our 50-plus offer. It was previously known as Fuller Working Lives. If I am honest, it felt like it was just what we are doing right now, living and working at home and feeling like we are never finishing. It is about planning for retirement, thinking about what you



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want to do in those next stages of your career and absolutely focusing on what people might need. I am very keen to be saying more over the next few weeks on this.

It is similar to what we have done with our youth hubs. It is bringing together all of our offer. JETS is for everybody, SWAP is for everybody, JFS is for everybody, so no matter what age you are in the workforce and no matter what your skills base is, at DWP we have an offer for you through our employment support programmes and through what we can procure through digital.

You will be pleased to know, Selaine, as long as you can get people online, which I know is a big focus for the Prime Minister and the Government here, we are going to be doing virtual mentoring circles as well for older people. We found they have been incredibly successful and work brilliantly well for our younger audience. You are absolutely right, we are meeting digitally this way, lots of people talking to friends and family that way, but they are not quite sure how to do a job interview. It may be those people who have had that massive shock of being back in the labour market.

We have a specialist partner that we work with in terms of purchasing digital skills. JP, do you want to say a little bit more about that for the over-50s? Selaine, I am right on it and it is my next big priority. The Committee will hear more very shortly, as will everyone.

Chair: Thank you. JP, if you wanted to chip in very briefly?

John Paul Marks: Briefly, as the Minister said, I appreciate the challenge and the points. I do have some districts where we have more unemployed 50-plus claimants than 18 to 24. We absolutely want an employment and skills system that works for all, SWAP, JETS, Restart, job-finding support and so on. We are talking to Ageing Better UK and other partners to help us make sure we get this right. It is a good lesson from the last session that we get it right this time around.

Q196 **Chris Stephens:** Good morning, Minister. I want to ask you a few questions in relation to the Taylor review and the Government's response to that, particularly around the issues of job quality measurement. Given the changes to the labour market as a result of the pandemic, is there a need for a new measure of job quality?

Mims Davies: If I am honest, we have a real interest in this area, but it is predominantly BEIS-led. I do know that when I went to the Learning and Work Institute and met up with Mr Taylor, he was very interested in doing more with us at DWP. We do monitor the range of statistics and administrative data that we see around the quality of work in the labour market. Of course we are working very positively with BEIS on the Build Back Better agenda and it does have that forthcoming employment Bill, which I think will address where you are looking to go on this.



I will bring Jonathan in on this because this is certainly some of the longitudinal work that we are doing across government. One thing that we do have a big focus and understanding on is around the progression agenda. At DWP, that is very important. That experience of work is positive, the ABC—the any job, better job, career—and we are interested in making sure those experiences are good and positive. We do work with the HSE to support people’s experience. Our Secretary of State and I are particularly interested around mental wellbeing and support of people at work. It is about to refresh its next five-year strategy. We are very keen to see this at the heart of its wellbeing agenda as well.

We all know the way that things have changed over the last few months, the way people have worked, how we value them, what type of work has changed. It is something that Government absolutely needs to take heed of. One area we have focused our understanding on is about quality of work and we can have a strong impact on this around Kickstart. With the 6,500 employers that we already have, it is the quality of placement, the importance of wraparound care and the experience that that young person has. We know that some young people have already gone into longer-term roles as well as a result of getting that opportunity at Kickstart. That has brought forward more employers wanting to work with DWP and open up their sectors. We have spoken a lot about that today.

Kickstart has been brilliant for that. You can work in a chocolate factory, with llamas, in digital, in tech, in football or in golf. The breadth of opportunities there are amazing and that experience should be good. We are absolutely spending government money on creating those roles. We are very clear that this needs to be a good positive experience. It is tracked and mapped by the work coaches. We have strong local teams working with employers and also trying to bring more employers in in sectors and communities and areas to get young people back on the jobs ladder. I am keen to let Jonathan add a little bit more because I think it would be helpful for you.

Q197 Chris Stephens: Before Jonathan comes in, Minister—and I will have some questions for Jonathan—you mentioned there was a forthcoming employment Bill. We have been waiting three years for this forthcoming employment Bill. Do you have a timetable as to when the Government are going to place this employment Bill in the House for the rest of us to consider?

Mims Davies: I am afraid I don’t. My engagement with BEIS has been a lot around the recovery lines and some of the things I have just described earlier around green jobs. I would suggest that the Committee turns its attention to BEIS on that. I do know that Minister Scully has a particular interest around supporting flexible work and making sure that is something at the heart of what we look at next. I do not have any further updates, I am afraid.



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Jonathan Mills: Just to draw out a couple of points that the Minister has made. Our opportunities at DWP have expanded greatly with Universal Credit because we now have the opportunity to keep the relationship with the people we are working with in work as well as out of work, and to help them not just get into work, but to progress in work.

As the Minister said, we have the progression commission looking at what the role could look like in practice, but there is a strong alignment between our interests in helping people progress in quality work and the wider productivity agenda that Treasury and BEIS lead on as well. We are working with those Departments to look at how, as we move through the pandemic into the next phase, we play that role to the full.

Q198 **Chris Stephens:** Thanks, Jonathan, but I am specifically asking about the measurement of job quality and what the Department's role is, along with BEIS, in relation to that. Can you tell us if the Government are doing what the Carnegie Trust report asked for last October, which is to work with the Office of National Statistics to set out a new measurement framework for job quality?

Jonathan Mills: As the Minister said, BEIS is leading on work around job quality. We work closely with it, our statisticians and analysts work with it.

Q199 **Chris Stephens:** The Government have previously funded the Skills and Employment Survey. The last survey took place in 2017 and I understand that came from DWP. Are the Government considering funding that survey again?

Mims Davies: I do not believe it was us, Jonathan. I think it was the Economic and Social Research Council, the Department of Education, Cardiff University and the Welsh Government, unless you know different, Jonathan.

Jonathan Mills: That is the information I have as well. If there is a difference of understanding we can check that, but that is the information I have.

Chris Stephens: Thanks, Chair. I think we will go back to BEIS with some of the questions we have around job quality. Thank you.

Chair: Thank you very much. Perhaps you could come back to us on that point, if you check whether the Department was involved in that activity.

Q200 **Dr Ben Spencer:** Thank you, Minister, and team for coming to give us evidence today. I want to pick up a similar theme on the impact of digital and digital literacy. What impact is new technology going to have on how the Department itself delivers its services? What do you foresee happening over the next five to 10 years?

Mims Davies: If we knew, JP, what we know now over the last year. When I joined the Department—I think about a year and a half ago—I was very keen to have much more positive and longer-term interventions



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and support by work coaches, which were very focused on people with the broadest barriers and to make sure these were meaningful engagements and not people spending the not much bus money they had to come in for a 10 minute and not meaningful experience with DWP. JP and I have, for example, been leading on this.

There were some pilots around digital offer, more telephony and more digital. Boy, have we motored on that in the last year! Our ways of working, remote working and engagement with our claimants have changed massively. For our youth hubs, of which we will have eventually about 140, 60-plus of them are working now and they are working virtually. As I mentioned earlier, I have been to mentoring circles. They have been successful, but the young people have been quite quiet, quite reserved. The feedback from jobcentres and work coaches and from the ones I have joined on is that digitally young people and our claimants are so engaged through online, the fact we have been able to use our journals so effectively, we are using telephony and we have some digital pilots.

We have absolutely changed how our work coaches are working. I think we have 75% of our employees working at home, but obviously with jobcentres open for the most vulnerable. I think what we have done is change exponentially. It would be great to have a bit of time to have some breathing space, to know what we like, we love and want to learn from. I would be doing JP a disservice if he could not have bit of a say on this, about how amazing our operations have been and what has transformed so swiftly because of the pandemic and hastened some of the things we wanted to do. Do come in, JP.

John Paul Marks: Thanks, Minister. For me, one of the biggest lessons for us as a Department from the pandemic is to accelerate transformation using technology. Clearly at one point we had almost half our workforce unable to attend the office, but at the same time a huge increase in demand. Universal Credit, as a digital service, was able to cope with that. People can claim online and they can report their changes online. Then we can utilise automation and data sources from across government, whether it be about a life event or confirming your data online, people being able to upload documents so we can check their housing status or call a local authority to confirm their social housing costs are accurate so we get their benefit entitlement right.

Data is massively enabling us to support in Universal Credit a doubling of the caseload and still pay the vast majority on time in full. It is not just Universal Credit, our Child Maintenance Service doubled its capability online this year. Our Employment Support Allowance system went online this year and you can now send your fit notes online, without having to get on a bus and take it to a jobcentre or post it to us and it taking so long.



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The other thing I would say to the Committee, given the subject of the hearing, we are doing that and, if I take my directorate, scaling up from 45,000 to 60,000 people because the technology enables us to support people more multichannel, online, over the phone and face-to-face for those who still need it. To your point about always being available, there is a multichannel solution for customers who need it, but then invest to do more support for more people too, so people are not left behind as the economy recovers, whether that is about how we support more young people, as the Minister said, by enabling our work coaches to go out into the community or connect using wi-fi to support their customers.

It is clear to me that this year has shown the potential of digital capability to accelerate the quality of our services. Satisfaction is up and we are getting less complaints. The stakeholder feedback has been very positive. The challenge to us of course is to make that multiyear, for the long term, so that the organisation is more user friendly, more tailored in its meeting of need at the point of contact and at the same time—absolutely your point—always making sure we are available for those who need us most. Our ultimate purpose is that underlying safety net for those who need us and we continue to focus on that as well.

Q201 Dr Ben Spencer: Thank you. That is brilliant if you are very digitally literate, do not have any barriers and have access to good internet connections and so on. However, we know that people, particularly with some particular health conditions and otherwise, do struggle to use the system and to use digital resources.

Of course in a sense these are the people who are already marginalised and who are at risk of perhaps being double-marginalised. What is your evaluation of the amount of people who struggle to use digital access? What support is on offer for what their particular support needs are and how you are going to tackle that?

Mims Davies: Before JP comes in, I would be very disappointed not to share this with you, Ben. We have 22 new work coaches coming to your jobcentre in Weybridge. Through our sector-based work academies we have moved particular people into the IT sector.

One particular person I think you will be very interested in is a 63-year-old chap from your constituency with a registered disability. He was funded through the Flexible Support Fund at 63 to get a laptop that enabled him to complete the necessary online courses to work with London United, which is a bus company that operates in greater London. Sixty-three, registered disability, online courses: we have helped that person into work in your patch. We have experience of this up and down the land through our sector-based work academies, through working with our Flexible Support Fund and through our work coaches—the extra 22 in your patch will help—to absolutely know what those barriers are and what is holding people back.



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On the broader question, and then I will let JP come in, this is why that real knowledge and that tailored support of individuals through work coaches is absolutely key. That is why our expansion to 13,500 will be very important. Many of these people who have joined DWP—I have had the pleasure of meeting many of them training in Caxton House—have worked in all different sectors, from acting, food, hospitality, logistics, retail or airlines. They have been through it themselves. We have 13,500 people joining us who had not expected to come to work at DWP and had not expected to be a work coach learning new skills themselves, therefore they are the best advert for the people we are trying to help.

I am keen to let JP say more regarding the digital skills and the view we have of the challenge with our claimants.

John Paul Marks: We are making sure the face-to-face channel is equipped for the need, that is the first thing I will say, with 13,500 more work coaches by the end of March, which is a huge increase in our capacity and capability at the point of need. That brings the average caseload in the intensive regime for the work coach back down to what we want it to be, in that sort of 120 to 140 range, which gives them the time to support their customers. Then we put the empowerment in to say, "Look, if you can do it utilising video or through a message service, fabulous. If you need to talk on the phone, you can. If you need to come in, you can".

The reassurance I would give the Committee is we are not trying to default by one channel and then meet needs. I absolutely agree with you: we need to continue to invest in those services that then reach customers who need that extra support or help to claim services. Perhaps the best example of that is our partnership with Citizens Advice to have that additional support.

In every community in different ways we are doing lots of things to reach into communities that might be harder to reach, whether it is things like youth hubs or colocation with a local authority and, as you say, continue to give people maybe the kit they need, that laptop or whatever it might be, so they can connect and get online, but if they cannot then they can still get the support they need from DWP.

Mims Davies: Yes, and disappointingly, Committee, opening a lot more jobcentres. As the Employment Minister, it is not naturally something I will be here keenly telling you about, but of course we have to safely bring those people into DWP, support them into DWP and of course open them safely with the appropriate measures. Some people, such as Henry Smith in Crawley, have already had their jobcentre opened. We have seen additional ones opening and there will be more as the final recruitment concludes.

I will also mention, as I spoke about earlier in the Committee, the ESF intervention we have had. Twenty different projects were approved, supporting around 2,000 people in the country, providing digital devices



to get online to help with that job search and that increase in employability. A lot of people can be fooled into thinking they are technically able indeed in the jobs they are going for because you can use WhatsApp, a phone or a mobile. However, it is when you are trying to apply online and your phone functionality, if you have that, is not good enough. Having those laptops for a proper work search, for those proper tools that are online, has increased the opportunity. I think the European Social Fund is where that 2,000 came from.

As we plan for the future and, as JP has just described, map what claimants need is where the Flexible Support Fund is absolutely vital. It can be something very simple that can get somebody into work. We have moved being able to help people in the lighter touch area of UC to be able to get Flexible Support Fund, which helps things like putting a tyre on your car that can get you perhaps to be able to do more hours. That is why the agility of UC is so helpful, both in and out of work, in terms of tackling barriers.

Q202 Dr Ben Spencer: That is brilliant news about the support to my constituents. What strikes me about the ways you are interacting with people is that you have not mentioned things like videoconferencing or Zoom. Of course throughout the pandemic I have been using Zoom a lot to reach out to my constituents and give them specific support. We also know other statutory services have been using videoconferencing, such as the NHS. I asked a question to the Secretary of State, I think it was—I cannot remember—about what the Department is doing in terms of transitioning to using videoconferencing. I wonder if that forms part of your future strategy for digital.

Mims Davies: It is currently in the mix, isn't it, JP?

John Paul Marks: Yes.

Mims Davies: We have pilots ongoing. We are using it for mentoring circles and it is being rolled out more and more. As you rightly say, Ben, you are using it; our partners are using it. It was completely impossible for us not to be using that as well and of course it gives confidence to our claimants.

We are engaging this way, their job interviews might be this way and their assessments might be this way. It has been a very important tool to have in our armoury to support people. It is a great example of what we talked about earlier, automation and technology being an enabler. Instead of locking people out of the labour market, it gives them the ability to come into it. JP, tell us about the current trials we have on that.

John Paul Marks: Yes, I will be quick and then we can always follow up a bit more. I was in a jobcentre in east London the other day, near the Chair's constituency, where they were utilising Zoom with young people connected, some of whom were in the jobcentre using their laptops and others were remotely connected in doing a sector work academy. All



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jobcentres have the capability to do that for their partnerships. We are doing those group information sessions and those mentoring sessions.

As you say, for our one-to-one claimant communications at the moment we use a journal messenger service. We have upload, we use telephony and we have face-to-face. We have video for that one-to-one interaction in about 35 jobcentres and we are evaluating how effective it is before we then look to roll that out. This is again an area where I am very keen that we push on with the evaluation because there is the benefit, as the honourable member referred to earlier, around the work capability assessment or Personal Independence Payment.

If our healthcare professionals can deliver a high-quality functional assessment without someone who is more vulnerable having to leave their home and they feel more confident and comfortable in that environment, then that is a much better outcome for everyone and hopefully will deliver an effective disability benefit system. I agree with you, I think we have a bit more to do on this.

Q203 Nigel Mills: We have talked quite a lot about work coaches and I generally agree that the ones who support my local area have been extremely good. The CIPD said coaches do not have enough in-depth knowledge of the local labour market in emerging sectors to best support people. Is that an assessment you share and are worried about? How easy is it to prepare work coaches to be able to support people for jobs in new and emerging sectors that perhaps they are not as familiar with?

Mims Davies: I am aware of that and I am keen to address it. Our work coaches rightly benefit from intensive training. We have adapted that so our claimants can get that tailored support we have spoken broadly about today. Our Plan for Jobs schemes are designed to refer for skills training in particular sectors. That is why JETS, JFS and using outside providers, and the support we have from people like the Shaw Trust and Reed, have been very helpful.

As I think we all recognise, we have the balance of the kind of business as usual stuff and also trying to help people to progress and move forward. Many of these people—Nigel, as you will know—have not expected to be looking for a new role, but their sector has been decimated by the impact of Covid with of course the confidence impact that has. For work coaches, the time that they need and the understanding they need is a lot and it is a big ask. Of course we have the explosion in number of UC claimants, hence needing more work coaches.

We want to make sure those people have a quality experience, which is something I have spoken about with the Secretary of State and with JP and his team. There has been a fundamental change in the cohort of people we have on Universal Credit and a fundamental change in the way we are operating—as we have spoken about—digitally, with the amount



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of people we need to help, the amount of people we are bring in, the type of claimants and the cohorts we have.

It is being able to help people to understand how they can help us go and fill some of the roles that have been in the labour market for a long time, the structural issues in the labour market we have had for a long time and how we can attract people into sectors where we need people. That is a lot to ask a work coach to do, so I can understand where that challenge is coming from.

JP, I think this is where our knowledge of working with the local labour market, employers, those partnerships, those links and those agreements comes into play. It is something we do need to take stock of, how DWP operates and how we have to do things differently because of the scale of challenge and the changed challenge we currently have before us.

John Paul Marks: That is right. To build on that quickly, it is completely right around the changed challenge. As I said, it is genuinely exciting to get your hands on 13,500 new work coaches in your team, but they are all new. They all go through a very developed learning and development route. They all have a buddy and a mentor and we consolidate them of course and keep their caseloads lower while they get motoring. We are recruiting some wonderful genuinely exciting fresh and diverse talent that gives us great capabilities for the future.

It is a fair challenge from the CIPD about continually investing in the capability of our workforce. Basically we are on track for something like 11,000 of our work coaches to be qualified or working towards a Level 4 certificate in managing and delivering services to customers by March 2022, so we are investing in the professional skills of our workforce.

We then have particular cohorts or particular skills. We have prison work coaches, who of course are experts on ex-offending and will collocate in a prison. We have disability employment advisers who will work very closely with GPs and often will collocate with GPs in the health system to understand health barriers. We absolutely then work with sectors like NHS employers or like the care sector, where they will come and do certain skillsets and talk to us.

We are doing some stuff, for example, in the tech sector at the moment with Microsoft. Working in partnership, Microsoft work with our work coaches doing things about how to start your own business, develop a LinkedIn profile and support access to growth tech sectors to equip our work coaches to learn about their local community. It is a constant thing, not least because the labour markets are always changing. We are moving as fast as we can to keep up with it.

Q204 **Nigel Mills:** Most of that was all very good stuff. You do encourage your work coaches to try to keep close to business in the community and look for where new vacancies are going to emerge. It is very hard for all of us to keep up with how the world changes and we kind of assume it is still



the same as it was when we were training.

You can have a default plan when someone comes in. “Go and have 12 weeks at Thorntons” was my local jobcentre’s basic default plan and that does not work anymore. It is that kind of thing, they have the time and the space to go and look for the new jobs and look for the skills they need to give people to be more attuned to maintaining solar farms than packing chocolates or something, whatever it is.

John Paul Marks: Yes, 100%. I met with business and the community only two weeks ago, talking about how we continue to get that partnership thriving. As you say, each district in the jobcentre network has an employer partnership team whose full-time job every day is to connect with the colleges and employers and understand their needs and demands and then take that into their jobcentre and say, “Right, the windfarm needs 100 people, they are looking for these skills”. They might do a workshop.

Every jobcentre closes for an hour every Wednesday morning to share the latest intelligence on their labour markets so they can then make sure that we are indeed encouraging people to apply for jobs that are real and available now. If they do not have the skills to get those jobs, we utilise things like SWAP to go and get the skills in place so people can start quickly.

Mims Davies: I think that is our new intervention, DWP TAP, where people need that longer-term support. It is going to be very driven by the work coach about whether that person is the right person to be going into a longer-term skills learning experience. Some of these are longer than a school term or double a school term. That work coach has to feel very confident about how that person can train and progress by being supported on UC. All of what JP has described is very important and that is why local knowledge and local intelligence is key.

Q205 **Steve McCabe:** Thank you, Chair. I wonder if I can ask a little bit about the National Retraining Scheme, which the Department was obviously heavily involved in. It was launched with quite a fanfare of publicity back in July 2019. By October of 2020 it was subsumed under the National Skills Fund, which strikes me as quite a shift in 15 months. Can you explain what happened?

Mims Davies: Steve, I cannot tell you much—I apologise—because it sits with DfE. However, I can tell you of the work we are doing around the White Paper, the National Skills Fund and being able to adapt our processes. That is where I spoke also around train and progress, our DWP TAP and the like, which is very important. The National Skills Fund is about increasing ambition. Probably Jonathan can share the best knowledge on this to help you out, Steve.

Jonathan Mills: As the Minister says, DfE leads on the National Retraining Scheme. We have a great interest in work in this area, for all



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the reasons JP has talked about. We want to work to get people into the right skills intervention.

Q206 Steve McCabe: You said quite a lot about it at the time, which is why I mention it. At the July launch you were talking about the great retraining potential and technological change. Does the Department have any role in it at all now? Is that something you have passed over to education and the National Skills Fund or is it still part of your ambitions?

Jonathan Mills: There has not been a change in responsibilities. The National Retraining Scheme was led out by DfE—supported by other Departments, which is true—for the National Skills Fund, which is a larger and more ambitious programme. As JP and the Minister have set out, we are focused on making sure that we are identifying the right people who can benefit from skills interventions, and we are working with DfE and with colleges to make sure they know what interventions are needed. There has not been a change in the responsibilities for those skills programmes.

Q207 Steve McCabe: It has kind of been downgraded a bit and has been subsumed within something else. Is that fair way to describe it?

Jonathan Mills: If DfE was here I think it would say that, if anything, its ambition has increased.

Q208 Steve McCabe: Within that, I think I am right in saying that Get Help to Retrain was probably the flagship service within the National Retraining Scheme. That was announced in the 2018 Budget, with £100 million for three years to test and develop it. You got as far as six areas in the rollout, I believe, but by October 2020 it was announced you were scrapping it. What happened there?

Mims Davies: Steve, this sits with Gillian Keegan at DfE. Of course you will have seen the White Paper and the broad-ranging plans she has to work more directly with employers, to pick up on lots of what you have said. Much of it, I believe, is starting to roll out in September. We do a lot of work together regarding skills around SWAP and DfE funds part of our SWAP interventions as well. I think we would probably be doing the Committee a disservice by saying too much more on this. It would certainly be DfE that could help more broadly on this.

Having said that, through our youth hubs and through our youth focus with the under-25s, there is a lot of work we do in and around this space. For example, some of our youth hubs are based in local colleges to try to fulfil some of the ambition you describe. I know there is much more work that Gillian is doing, alongside conversations and engagement with us at DWP to link in with local employers and local labour markets so that, exactly, the local courses and schemes match better with what employers are looking at.

We are able to work differently by the way we directly run our own operations and directly are able to deliver things ourselves and purchase



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things ourselves. It is a slightly different scenario, but you are right that it matters to us, but is being led by them. I am afraid I cannot say much more that is helpful unless JP or Jonathan can add more on that.

Q209 Steve McCabe: It is fine, Minister. I thought you had a larger involvement. I accept your points. I noticed that three times this morning you made reference to the fact that people can get tyres on their cars and I noticed the Secretary of State made the same reference last week. The Department obviously puts quite a high value on the ability to drive and have a car as an employment skill. How many people who are claiming have a car and how many people have availed themselves of this service you have referred to? Can you also get driving lessons if it is a high-value skill?

Mims Davies: It is not data we collect because it is very much led by—

Steve McCabe: You do not? Really?

Mims Davies: —our Flexible Support Fund. JP can come in and say more. This is about removing the barriers stopping someone getting to work, as I said earlier, whether it is suits or bus fares. I sat in a jobcentre in Bridgend in South Wales and heard directly from some of our work coaches and others in the room.

Transport is a massive barrier. Some people have been out of the labour market for 20 years because they simply cannot get to where the opportunities are. Through the Flexible Support Fund and working with the work coaches, if it is a tyre on a car—back in the day there was Wheels to Work and other things—we are determined. That is why we have opened the Flexible Support Fund—

Q210 Steve McCabe: I am not criticising you, Minister. I was just curious to know, since you mentioned it so regularly, if we were talking about 25 people or several thousand.

Mims Davies: We will try to get a stronger picture for you on it.

Steve McCabe: That would be helpful, thank you.

Mims Davies: I know from speaking to Baroness McGregor-Smith, who is looking at progression, transport—and I think this is what you are alluding to—is key in terms of people's progression or even their first chance of getting on the employment ladder. I will let JP come in on some of the work he is doing around the haulage and driving sector. Our Secretary of State has been focused on this. Being able to support people get into work and stay there and progress in work is key. JP, I wonder if you can help a bit more on this.

John Paul Marks: I can try. I completely agree with you. I remember visiting the teams in Wales just before the pandemic and they were working with the local authority to put together a project around transport and buses because that was the biggest barrier. There were lots



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of jobs, but they were out of reach and the public transport infrastructure was insufficient for people to access them.

Q211 **Steve McCabe:** Can you get driving lessons on the scheme?

John Paul Marks: I am looking at the guidance to make sure I get it right.

Steve McCabe: Fair enough.

John Paul Marks: The basic principle is to remove barriers to work. For example, procurement to support growth sectors: driving, security, IT, construction. We have been using it in the last few weeks and months around the costs of PPE, for example, travel to work, electric cycles, three months' travel costs on starting work or childcare. Every local district records what they spend this money on and that is then recorded locally because it is signed off by local managers.

Steve McCabe: I am not trying to be difficult, but I do want to understand this.

John Paul Marks: No, that is all right.

Q212 **Steve McCabe:** If I am anxious to seek employment—and you say you have been advising people on some of the transport roles—and I believe the barrier is that I cannot drive, is it a legitimate request to say, “I would like driving lessons”?

Mims Davies: I do not think we fund driving lessons but we have definitely, JP, funded people to increase their driving capabilities because—

John Paul Marks: Yes, licensing.

Mims Davies: —yes, they will get higher-level driving licences. I have grandmother and some of us have grandfather rights, the ability to drive those types of trucks. New tyres, certainly for people who are self-employed in say coffee vans or mobile hairdressers can be a barrier to work. It is not necessarily those in—

Q213 **Steve McCabe:** They are not foundation skills?

Mims Davies: No, but we are waiting for that progression commission report. We have opened up the Flexible Support Fund to people in light touch UC, which our work coaches were pushing for because it could have been something simple like a tyre on a car. Sometimes those things are holding people back from progressing. We take the note, Steve, about driving lessons.

Q214 **Steve McCabe:** I am curious. You cannot get foundation skills but you can get progression skills. Can you get a bicycle? Could you have the Department give you a bicycle? You are entitled to ask for that?



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John Paul Marks: Yes. I mentioned about that just recently. Someone had lost their job. I think it was a taxi driver who needed the Flexible Support Fund to get their taxi back on the road. The MOT cost was the barrier; they could not afford it. The team judged that as a legitimate barrier to work and used it to fund the removal of that barrier. If a work coach has managed to land a job for a customer but that customer has no route to work, they would try to encourage the use of public transport first. If that was not available and if it was the only way they could see that claimant into work, they are empowered to utilise the guidance to pay for it.

Obviously there is the slight matter of the DWP's quite limited barrier spend, although it is double what it was last year, to start funding driving lessons for the whole country. It is important that the work coach and the local manager make a judgment that this is a legitimate barrier to work.

Q215 **Steve McCabe:** I am pressing you on this because it would be interesting to know how this is being used across the country in terms of numbers and range. This is exactly where you may be more advantaged depending on how it is interpreted in one area than another. This is a great opportunity to roll out best practice, but we need to have some idea of what is being spent in what areas and what sort of spends. Is that information you could provide to the Committee?

Mims Davies: I am loath to spend too much time on more data for the sake of data, but we have—

Steve McCabe: This is information, Minister, and quite crucial information.

Mims Davies: Yes, I understand, but in reality it goes back to that individual understanding of the tailored need of that person in front of the work coach. You could have a lot of data saying that lots of people need driving licences, but the reality is that they need other things as well and that is not necessarily their barrier. I would be careful about—

Q216 **Steve McCabe:** Minister, I am trying to find out if you are providing bus passes in Birmingham, but not in Stafford. I am trying to find out if you are providing driving training. It is the range and scope. You were telling us, Minister, about the extraordinary lengths you can go to support people into work. For this Committee, it would be great to have some detail on those extraordinary lengths.

Mims Davies: Okay. JP, you wanted to come back in?

John Paul Marks: Yes, on the point about sharing best practice and consistency, part of empowerment is flexibility and us tolerating that ambiguity and not feeling the need to measure everything and be in control of it because of the points. Nonetheless, I agree with you. We should share best practice. I meet every jobcentre's senior leader every Monday and I talk to all the jobcentres every 20 days. In fact, this week the Secretary of State spoke to them about trust and empowerment and



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their enablement. On the Flexible Support Fund, we have a group that constantly shares best practice and ideas and iterates the guidance. That learning approach is the right one.

Q217 **Chair:** Can you see what information you can send the Committee about that? That certainly would be of interest to us.

Mims Davies: Let us take it away. I am also very interested, JP, in the conversations you are having with the haulage, construction and logistics sectors about how much store they weight on this as well. If you leave that as an ask, we will see what we can afford. Thank you, Steve, for the interest.

Q218 **Chris Stephens:** Minister, I want to ask you a couple of questions on the universal basic income. We had a session specifically on this. Some organisations have presented support to the Committee for this proposal to ensure that there is a safety net for all. What consideration has the Department given to the policy of a universal basic income?

Mims Davies: I know there is a real interest in a universal basic income in some areas. I know they tried a study in Finland. Once they looked at it, the case was pretty much closed. The UK Government's approach to welfare is the right one. We recognise the value and importance of work. We set up a system to help make work pay. Supporting people both in work and out of work and those who are most vulnerable is important.

If I am completely honest, I do not spend a lot of time on this because I am the Employment Minister and I want us to be supporting people to get as far as the talents and all the support we have discussed in the Committee today can take them and help them to progress and support them through this.

I recognise there is an interest in this. I know the Scottish Government looked at this and pretty much ruled it out due to it being very expensive and also logistically pretty difficult to do. My focus is around the Plan for Jobs and helping people to progress, hence the progression commission. I have not spent a lot of time on this, if I am genuinely honest.

Q219 **Chris Stephens:** That is not necessarily the Scottish Government's position.

I want to take you back to your comment that you believe the UK Government's approach to welfare is the correct one. Minister, there has been a photograph in the media and on social media in the last two days of people queuing for a street kitchen in Glasgow, in the dark and in the snow. What message do you give to those watching this and those in Glasgow who believe that that is a visual and powerful example of the UK's social security system failing and why we need to look at and should look at other measures like, for example, a universal basic income?

Mims Davies: The Government have put £280 billion into supporting people through this pandemic and continue to focus their support on the



most vulnerable. My job is to plan for all scenarios as the economy changes to help people progress and move forward. I am part of a taskforce, along with BEIS, about reopening the economy, the impact of homelessness and what we can do in the long term to make sure that everybody recovers well out of this pandemic.

Always at the DWP there is the balance we are trying to strike here: fairness to the taxpayer, above all affordability for the taxpayer, a balanced safety net and being able to support people no matter what their scenario to progress. Our work coaches are there to do that.

I remind people that throughout the pandemic every single one of our jobcentres has remained open for the most vulnerable. We have helped people on a daily basis who have needed support and we are absolutely there for them. For anybody watching this, there is a Universal Credit and benefits calculator on gov.uk. There are hardship funds through local authorities. As MPs, I am sure we have all helped people who have found themselves in real difficulties because of the pandemic and have signposted them through to local hardship grants, local supports and local charities.

For me, it is important. It is the reason I disagree with UBI and it is the reason I agree with our Minister for Welfare Delivery. I believe that Universal Credit, being an in and out of work benefit, helps get more money to support the right people who are most vulnerable. I am afraid I have not seen that picture, but I am sure I would want to reassure anyone who has seen that picture that there is a lot of help out there. It is incumbent on us as the Government and as MPs to help people and point them in the direction of support.

Q220 Chris Stephens: You should see the picture, Minister. It is a powerful image. It is circulated quite widely both in the media and on social media.

You mentioned furlough there, Minister. I agree with you that furlough is a radical method of guaranteeing people a continued income. There are some people who have missed out on that, but that is another issue. Why is the principle of a universal basic income wrong and why is the principle of furlough the correct one?

Mims Davies: UBI, unlike UC and indeed furlough to a degree, lacks the ability in the long term to respond to changes in income and what is going on.

Furlough was the right thing. It was a temporary measure to get through the pandemic and to recognise that this was a once-in-a-generation bolt from the blue that simply closed off people's opportunities in sectors and businesses. No Government and certainly no Conservative Government would ever have wanted to have put in these closing measures, but because of the public health requirement we simply had to act. It was the right thing to do. To be honest, we probably all thought it would be a much more temporary measure than it has proved to be.



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Because of Covid, we recognise that we have to support people for longer as we battle this pandemic. We accept this is a terribly challenging virus. I am spending my time at the moment working with BEIS Ministers and others across the Government about how we reopen, how we support people back to work, how we help people feel safe at work and how we help people to progress. I daily hear—and you have heard from JP and I today—about life-changing opportunities that the DWP, UC and the right interventions and support can make for people. I have never heard that about UBI.

Q221 Chris Stephens: Organisations are looking at feasibility studies in relation to the benefits of a citizens' basic income or a universal basic income. What support will the Department for Work and Pensions give those local authorities or devolved Administrations that want to do feasibility studies on this?

Mims Davies: This is not a matter for me because I am not the Minister for Welfare Delivery. He has made it clear both in Committees and in other responses that he believes we have the right balance, supporting the most vulnerable in society through Universal Credit and helping them to progress.

As we have described today, we have a huge business as usual plan for jobs and of course understanding the future of work and the impact of the pandemic. Frankly, I believe our Department should be focusing on that. You heard a pretty similar response from the Secretary of State about our priorities for our Department. The devolution settlement clearly sets out the powers and responsibilities of different Governments. We know the Scottish Government have made some different choices around this, and of course they are at liberty to do that.

Q222 Steve McCabe: I wondered what the Department was doing specifically to help those with disabilities to both make use of assistive technology and find jobs in the new technological sectors.

Mims Davies: Thank you, Steve. This is important. One of the best things about the pandemic and the way we are meeting today, some of the examples I have given to you about the technology and support that the DWP has given our disabled claimants or claimants with health conditions has been important. I know that as workplaces and as an economy we can go forward being more inclusive and more diverse. We will continue to be pushing and working towards this. Of course this predominantly sits with the Minister for Welfare and Minister for Disabled People.

The Access to Work scheme continues to be incredibly important. We are also looking at a personalised passport of workplace adjustments, which can help ensure that the needs of disabled people or those with health conditions are met both in education and in transferring to work. That is a great opportunity. Of course for all of our interventions such as Kickstart and SWAP, we make sure that those with disabilities are included and



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supported there. That has been key. Some of our first Kickstarters have been people with disabilities. We are currently looking at how we can be wide-ranging and inclusive in all of our interventions.

Of course we will be doing a response to “Health is Everyone’s Business” soon. There is the Green Paper on disability support forthcoming and conversations and consultations ongoing. I know our Minister for Disabled People is focused weekly on this. Of course this also sits in the centre of Government in the Cabinet Office. We heard earlier from JP about the commitment to 1 million more disabled people working by 2027. We have made some fantastic progress towards this.

Covid has shown that we can work differently and we can be more productive. We have bowled through presenteeism and that can help with remote technologies and being more inclusive of disabled people. I know that in every single constituency, whether we are working in Selaine’s constituency, we have the Disability Confidence Scheme using roles with the Next Steps Development people. We have some work going on with care companies to be more inclusive. We are doing much more on support for people with autism and understanding that through our jobcentres. Of course we have the Work and Health Programme as well. The future is brighter than ever for an inclusive workplace.

Q223 Steve McCabe: Minister, I have one quick point on Access to Work. The criticism levelled by some people is that not enough folk know about it. The other criticism is that you get the benefit of Access to Work only once you have found a job.

Have you thought about doing anything to make it more widely publicised? Have you given any thought to the idea that you should provide that support to help people find a job as well as after they have found one, given the evidence on the digital divide for disabled people?

Mims Davies: Let me come back on that, Steve. I am sure JP will also be keen to talk about operationally how this is practically working. I agree with you. There is over £60,000 worth of flexible support for people to come into the workplace. We have found it with our own staff being more technologically able where the pandemic has hit. Nobody is excluded from being part of DWP because we have been able to be more flexible and get those laptops out. As I said, 75% of our workforce, many with health conditions, are working at home and being incredibly productive.

We have the ability through Access to Work to be demand-led. This goes back to understanding and knowing our customers and helping them to recognise what they could do with the right support. Let me allay some of your fears with some of what is practically going on from JP.

John Paul Marks: Access to Work is demand-led. There is no limit in-year on how many people can access it. We are doing more to link that into those. We referenced social media earlier. You will see there is a lot



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of Access to Work proactive comms on LinkedIn, Facebook, Twitter and other social media. We have been doing a lot of workshops with the jobcentres to make sure that the work coaches are proactive in supporting that customer at the point of need to access that Access to Work. There were record levels of expenditure last year and the budget is forecast for that spend if the demand is there again this year.

We have our network of disability employment advisers across the jobcentre network if, before going into work, people need that more intensive support around their conditions. With the Patient Advisory Service—particularly pre-Covid—we were doing a lot of work into GP surgeries around social prescribing. If I see my GP to talk about my depression and my medication, the GP can encourage me to see a work coach about the opportunity, for example, to work part-time, rebuild my confidence, establish a routine and access a peer group. That is why I have in my job title “work and health”. We increasingly want to be clear that by supporting customers to manage health barriers, we can support them with employment. Employment is one of the most effective ways to improve public health.

Q224 Chair: On Kickstart, will the outcomes for disabled people be separately monitored? Will we get numbers for the outcomes for disabled people on Kickstart?

Jonathan Mills: We are finalising the evaluation approach for Kickstart at the moment. We know anecdotally that work coaches are, rightly, finding good opportunities for people with disabilities already but we will find out.

Q225 Chair: When you have decided that, can you let us know?

Mims Davies: On that point, Kickstart has been brilliant and has started wider conversations with DWP. It picks up some of the potential criticisms about our knowledge and understanding of the labour market and so on. This has opened up the opportunity to speak to so many employers because many employers also want to be more diverse and inclusive. They want to reflect their local community and society.

We have seen actively some of our Kickstart employers and gateways asking for specific links to their local community and making sure that they are working with people with the most barriers and wanting to be actively inclusive. We do not have anything to be afraid of when we share what we know about this.

Q226 Siobhan Baillie: Good morning. What assessment has the Department made of how changes in the world of work may affect women and men differently?

Mims Davies: Thank you, Siobhan; I am glad you have raised that. I know you have particularly young ones. Congratulations. I have growing and changing ones who are trying to do exams.



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There is the practical impact of the pandemic and what is going on in the workforce right now and how caring and balancing what you need to do is differing. There is also what is going to happen as furlough unwinds and we see what happens in different sectors. I know that it is women particularly feeling that with teaching, caring, feeding and looking after people. It is very challenging right now. You and I and many of us listening are them. It is important to recognise that. We are all doing a blinking good job and should not stress out too much.

Of course we need to monitor technology and the changes in the labour market and the impact of the pandemic carefully. Men over 50 are currently more impacted by the labour market changes. We know that currently more women, although they are doing a lot of what I have just described, are at home but are more in the public sector and perhaps able to work at home and flex around that.

When areas like hospitality and tourism open up, where there are more part-time people or indeed women in those sectors, we need to make sure that they get that recovery and support they need. Today is the International Day for Women and Girls in Science and Tech, so we need to make sure we are supporting women in all of the barriers, whether it is childcare, digital skills, caring and so on, and that we are making sure women are getting the opportunities they need.

I did two SWAPs this week through Kickstart, both in the care industry, one in hospice care and one in wider community care. It was brilliant to see women coming forward into our SWAP programmes. One had five children and got to the point where she could not see how she could get a career going. With the Flexible Support Fund, flexible employers and the SWAP training, she got the confidence—which was the number one thing—and the recognition that being at home and managing five kids gave her pretty good skills that some of the employers were looking for. It was brilliant to see some people beaming, particularly the women on the call, who were managing to do that training around looking after young people, getting their certificates, getting a guaranteed job interview and showing that they can have a career going forward in a sector that matters and that can fit around their existing commitments.

Understanding tech, understanding the pandemic and understanding the impact of the sectors is key for every sector of the labour market. I can assure you that what happens to women is important considering we came into this with the highest employment rate for women. We are leading the world with our employment rate and we want to continue that.

Q227 Siobhan Baillie: If we remove the pandemic, we know that a lot of future jobs are all about technology, which is predominantly male-oriented. What are the DWP doing to help women to retrain in tech and increase skills in that regard?



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Mims Davies: We have our Google Garage work, working with Microsoft and BT. The digital skills toolkit from the DfE launched last April online. Anybody who is watching this or is engaged, please have a look at our job help website. There is loads of advice for women and for people who want to move into the tech sector as well. The DfE has also launched a Gender Balance in Computing programme to help identify the practical interventions that schools can have to also help participation in computing.

I have also found through our SWAPs that women who have previously worked in retail, for example, with a logistics background are coming across into the construction and other sectors. The SWAP programmes are helping women claimants to identify that they have the transferable skills to go into that sector. That is a priority sector that we need to be supporting because we have an ageing workforce and a massive skills shortage. Also, from speaking to construction, they want more women to be involved in that area. Lots of women have those skills but they do not necessarily directly identify with the sector. That is where SWAP comes into play. I will let JP also come in about some further practical experiences we are putting together to make sure women are not left behind through this.

John Paul Marks: We are working with particular sectors like women in construction and women in digital. We talked about Openreach and the work we are doing with BT, where they are open about underrepresentation of women in the industry. We have been doing work with them running virtual information sessions, providing advice on application processes, addressing myths and offering mentoring and support. We share your endeavour. Pre-Covid the UK saw record lone-parent employment rates and more women working than ever before and we want to get back to that post-Covid. Childcare support will be key to ensuring that is the case.

Mims Davies: Siobhan, in your own constituency we have a partnership with Skills Maps to help people with their digital skills. I know you have been to the jobcentre, but that is happening there. In the Chair's constituency, we are working with people to focus on supporting people with an ethnic minority background to understand how they can go into STEM. This is actively helping and being worked out. This is through our Flexible Support Fund and our local dynamic purchasing. This is recognising where the skills and support is needed. This is all happening in your own constituency. I am delighted to report that.

Q228 **Sir Desmond Swayne:** Hallelujah! What do you anticipate will be the impact on job participation or participation in the labour market if substantial levels of remote working continue after the pandemic?

Mims Davies: Thank you, Sir Desmond. It is interesting because in my own constituency one of my local life science companies has had lots of people working at home and has lots of people back in the office because



they are missing the spark, the networking, the learning and the progression.

One of the biggest challenges if everybody is working at home is how they are progressing and how they are being supported. We need to take stock of this. I am keen to bring Jonathan in because we need to do it ourselves at the DWP. What works and what do we want to take forward? I know employers and sectors are doing exactly that so we can start to predict that impact on the broader labour market. Jonathan, do come in with some of the analysis and understanding we have.

Jonathan Mills: Going back to the wider topic we are dealing with here, the Royal Society and British Academy work on automation and work in 2018 summarised the evidence in general quite nicely. Broadly, the evidence shows that technological change in the long run improves productivity and also improves employment and participation in the labour market. But the issue to look for is how that works through for different groups, as we have been talking about now.

In relation to remote working, we have seen some evidence that for some groups that can facilitate their participation. It can make it easier where there are transport barriers. For some people with disabilities for whom travel to work can be more difficult, remote working can be helpful. On the other hand, if you look at a lot of employer surveys, there are worries about some of the losses in institutional capability and culture that you get from shifting too rapidly from one mode to another. We would expect that to work through over time.

Overall, your question was about participation if remote working continues for longer. In terms of overall employment, the evidence would generally suggest in the long term that it would improve employment as it works through.

Q229 **Chair:** The Prime Minister announced in June an opportunity guarantee to give every young person the chance of an apprenticeship or an in-work placement. When is that guarantee likely to be in place?

Mims Davies: We are currently working with the DCMS and across the government and conversations are ongoing about exactly how that lands. I am happy to take away your interest in that. As the former DCMS Minister with responsibility for youth, I am keen to understand how that lands. We do a huge amount of engagement with the youth sector, hence our youth hubs and bringing together our provision. We have a fantastic engagement with the Youth Employment Group, which is keen to understand that. For me, that work is ongoing. Watch this space. I am sure it will be noted that the Committee is interested.

Q230 **Chair:** Is there a date for the guarantee taking effect at the moment?

Mims Davies: There were more conversations going on over the last couple of weeks, I understand, across the government on this and the broader interest. Of course, with the Budget coming up people are



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particularly interested in how this materialises. Jonathan is part of some of these conversations as well. He will have noted that.

I am particularly keen to support young people. When the Prime Minister appointed me to this role, it was my interest in supporting young people and equality issues and breaking down barriers. That was one of the reasons he asked me to come into this role and focus on that area. I am proud of the work we are doing around the youth agenda at DWP. We are more than playing our part across the Government and I can confirm to the Committee I am pushing hard to be delivering in this area across all other Departments.

Q231 Chair: We may get an update on the Budget perhaps on that. You raised a point about ethnic minority jobseekers. Some analysis has suggested that automation could mean that the ethnic minority employment gap will worsen. What is the Department's view about that? What can be done to mitigate it?

Mims Davies: First, we have made incredible strides in terms of ethnic minority employment rates. We were close to closing that employment gap before we came into this pandemic. Of course we have the Race Disparity Audit and all of the work that has been going on around that.

I know particularly around our partnership in Bristol, one of the local MPs there has a particular interest in this area. Also I am particularly interested in supporting people with ethnic minority backgrounds to be able to start up and grow businesses as well. There are lots of areas, whether it is finance or other support.

We need to make sure, as a Government, we are doing as much as we can. It is a vital agenda for us. We have made some good progress at the DWP. Mentoring circles have been excellent. I know—and you will know this through some of our London jobcentres—being able to work with local employers to understand local needs and opportunities helps break down those barriers. That is where mentoring circles have been so vital.

I know, for example, in Crawley, understanding the barriers has been important. We have had a particular intervention helping people around language and basic maths and English, which can be important. Above all, UC brings people into view in a way that the previous benefit system might not have. I know that particularly in Crawley understanding the barriers and the challenges has identified particular roles that are suitable. For example, getting some women in Crawley into schools as TAs has worked brilliantly because it has helped with integration and getting to know the community, it has helped with the language and works with any reticence about perhaps working and balancing family life. We are doing a lot on this.

Q232 Chair: Might automation be a bit of a hurdle here to narrowing that gap?

Mims Davies: There is an active understanding to try. Are more people with BAME backgrounds working in low-skilled areas, and if they are



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more likely to be automated, would they be more likely to lose their roles? I guess we are trying to ascertain that.

Q233 **Chair:** That is the McKinsey point, yes.

Mims Davies: Yes. That is why we have our progression agenda and the upskilling agenda and we are helping people. I do not want to be a job snob. The reality is that we want people to go into the right roles that work for them, to start off work, to be able to progress and move up so they can go from any job to a better job and to a career, if that is right for them. Above all, we are making sure that those barriers, whether it is basic maths or language, are not holding them back. That is about our work coaches knowing and understanding the challenges. The more that we can see people succeeding is very important for mentoring and supporting people to show that their background must not hold them back. As a country as a whole, we can and should do more of that.

Q234 **Chair:** In your opening statement or just afterwards you mentioned the Office for AI, a joint BEIS/DCMS initiative. Should DWP join that? Should DWP be part of it, given the impact on the labour market of AI?

Mims Davies: Yes, we do have a link into it. I do not want you to think, Chair, that we do not have an eye on this. I will let Jonathan reassure you.

Jonathan Mills: Yes, that is right. The two Departments you have named are the lead Departments for that office, but it works across the Government. We have a strong interest from an employment angle, as does the Department for International Trade and the Departments responsible for particular sectors in terms of the impact. We talk regularly to officials there and we work collaboratively with them to make sure we are on top of the evidence base and the trends. We are pretty well connected into that and certainly would see it as an important partner for us.

Q235 **Chair:** You have talked about the necessity, unfortunately, of having to open new jobcentres and we understand why you have to do that. How many eventually would you anticipate opening? What is the increase going to be?

Mims Davies: I am not sure I am allowed to say that publicly. I have been spending a lot of time on it. I am not afraid of saying it. I do not think I can at the moment because we are not finally there. I am not being obtuse, Chair. We are trying to balance where our work coaches can go in our existing jobcentres, the people who will need to remain working at home and so on. There is still some work going on there. This is demand-led as well. Where we need more people and more offices open, we are doing that. You will recognise that there is a procurement and commercial process underway, which is linked into our work coach recruitment.



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I can assure the Committee that I will be in a position to say a little bit more soon. I will be keen to share a huge amount of work that is going on there to try to support all communities. It is demand-led and related to the impact of the pandemic and of course how we start to move into economic recovery.

Q236 Chair: We will be interested to know when you are in a position to tell us about that. Might we see a need for further work coaches beyond the 13,000 or so you are recruiting at the moment?

Mims Davies: I can see JP's face. He will always want more wonderful work coaches. I hate to go back to the planning for all scenarios line, but I genuinely mean that for the DWP. Of course we have to manage the churn of people leaving and all of those things as well. We will make sure that supply meets demand. We have a fantastic relationship with Treasury, knowing and understanding the value of face-to-face support. I would not underestimate this right now. We have talked about the benefits of online automation technology, but for many people who have been impacted by the pandemic and never expected to need to be engaged with DWP and future work search, they do need that understanding of a work coach, the support and the confidence.

I go back to some of the examples I have given today, the one particularly for Debbie regarding the lady with the laptop after 27 years. The laptop was important, but in her testimony the confidence, support, understanding and knowledge of the work coach having her back was key. There is a balance here between natural attrition, working strongly with Treasury, being demand-led and being able to support the constituency need.

Chair: Minister, thank you very much. Thank you all for your evidence to us this morning. That concludes the meeting.