

Work and Pensions Committee

Oral evidence: Department for Work and Pensions' Annual Report and Accounts 2024-25, HC 1654

Wednesday 21 January 2026

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Members present: Debbie Abrahams (Chair); Rushanara Ali; Lee Barron; Johanna Baxter; Mr Peter Bedford; Steve Darling; Damien Egan; Amanda Hack; John Milne; and Joy Morrissey.

Questions 1 to 72

Witnesses

I: Sir Peter Schofield KCB, Permanent Secretary, DWP, Catherine Vaughan, Director General, Finance, DWP, and Barbara Bennett, Chief Executive and Director General, Jobs and Careers Service Operations, DWP.

Examination of witnesses

Witnesses: Sir Peter Schofield KCB, Catherine Vaughan and Barbara Bennett.

Q1 Chair: A very warm welcome to this evidence session with the Permanent Secretary and his officials. You are joined, Sir Peter Schofield, by Catherine Vaughan, Director General of Finance at the Department for Work and Pensions, and Barbara Bennett, Chief Executive and Director General of Jobs and Career Services in the DWP. It is very nice to see you all.

We have a comprehensive set of questions for you, and I am going to start. My particular questions are on the Sayce review and the overpayment of Carer's Allowance. I was very struck, Peter, when I read the report—I am looking at page 10—and it said the, "DWP has failed to demonstrate the Ministerial and senior focus needed to resolve these persistent injustices and reform Carer's Allowance to implement its core purposes in the modern world".

The report then went on in chapter 7, which is the DWP Culture and Previous Reviews, to note multiple previous reports on Carer's Allowance, including two Work and Pensions Committee reports, two National Audit reports, and four Government Internal Audit Agency reports. It said, "The



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DWP has failed to demonstrate the focus needed to resolve persistent injustices on earnings-related overpayments and the implementation of Carer's Allowance core purposes effectively". How do you explain this?

Sir Peter Schofield: Well, thank you for inviting us. It is good to be here, Chair. On the Sayce review, as you say, the Government commissioned Liz Sayce to do her review. She published her report with a Government response before Christmas. The Government have accepted 38 of the 40 recommendations and we are moving forward on implementing those.

As you say, there have been previous reports and there has been previous action. I do want to reassure the Committee that action has been taken on a number of different fronts. Since 2019, for example, we have worked with stakeholders to improve our communications. Liz Sayce recognises that. That includes our letters reminding customers of the way the earnings limit works. We started to make better use of HMRC data to identify where people have earned over the earnings limit, moving from paper-based alerts. I cannot remember if you were in the Committee in 2019, but when I was here then we talked about how we were replacing the RD23 paper alerts with the VEP alerts, the digital system.

Q2 **Chair:** I will just stop you there. I appreciate what you are saying and you run a massive Department, so I really appreciate the difficulties that you have, but these are issues that have arisen subsequent to this. There have been a number of reports since then, and I just need to draw your attention as well to *The Guardian* report on an internal DWP blog that blamed claimants for the overpayments. Again, given what the report has said, that this is a massive failure of culture, let alone competence, within the Department, how on earth do you explain that? That behaviour is unacceptable, surely?

Sir Peter Schofield: Look, as I was saying, we have been making progress. I think the VEP alerts have made a difference. We have been funded for 100% of those alerts, so we are able to get through those alerts within a matter of days to avoid overpayment.

Q3 **Chair:** Why did that not happen before?

Sir Peter Schofield: Because we were only funded for 50%, and we were doing 50%. In that time, we saw overpayments in Carer's Allowance due to earnings fall quite dramatically, but you are right—

Q4 **Chair:** Peter, if you are saying that the previous Government did not fund you to do 100% of the reviews of the HMRC alerts, did you tell Ministers that you were concerned about the implications of that for carers?

Sir Peter Schofield: We were making a difference. We were getting through those overpayments. I was in front of the Public Accounts Committee on 4 December. We made a mistake, and we made a mistake particularly on the issues around the guidance for those people who have fluctuating earnings, and the guidance was incorrect. There was quite a



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technical issue here in the way that we should have averaged not just those cases where there was fluctuating earnings on a regular pattern, but the legislation allowed us also, if it presented a more accurate picture of the situation of the earnings, to average, or to look at averaging where there was an irregular pattern.

The operational guidance we have had since 2015 did not actually recognise that, so we got that wrong and we have recognised that. I am really sorry for the way that we got that wrong. We are going to put it right. We are building a team to do that. We are going to start inviting people to apply for this in the spring, and we are building a huge team to make a difference on that. We have been funded to do that. We are going to get through that in two years. We are going to make a difference.

So we are changing; we are making a difference. We got that wrong and I am sorry that we got that wrong.

Q5 Chair: Okay. The Department rejected the recommendation to commission an independent operational audit. Can you explain that? Are you absolutely sure that no further issues would be revealed?

Sir Peter Schofield: Well, you can imagine when I discovered that the operational guidance was wrong I was quite perturbed at that, so I have already commissioned the Government Internal Audit Agency to do a review of departmental guidance across DWP, which is reporting back to me so I can see that we can get the accountability right and avoid this happening again. So there are audits already under way.

The key thing for me, Chair, is to put right the things that we got wrong. We have the funding now to go through all the digital alerts from HMRC, so we can avoid many of those overpayments building in the first place. We have the money now to get through those cases where we made a mistake with the operational guidance that was wrong. We are improving our communications, as I say, and this Liz Sayce review recognises that. We are making a difference, and we are committed to doing that.

I do want to reassure the Committee that we have the funding, we have the tools, we are going to make a difference, and I am sorry for the thing that we got wrong on the operational guidance.

Q6 Chair: The comment about the blog post?

Sir Peter Schofield: Well, as I said at the Public Accounts Committee on 4 December, our position is as it is. The Secretary of State himself spoke about this. What we say as Permanent Secretary and Secretary of State, it sets out where the Department is. We are grappling with this. We want to make a difference. We know that carers perform an incredibly valuable role supporting loved ones and friends. Our review that we did in 2021, which we published in 2024, recognised the role that carers play in society and we want to support them.



We want to improve Carer's Allowance, so the other thing we are doing is we have increased the earnings limit to 16 hours of the national living wage. That is £196 a week. That is a massive difference, moving many, many times further away from that cliff edge. We are also looking at whether there is anything we can do around the cliff edge, which is such a challenge for many people.

The vast majority of carers were not affected by the operational mistake that we made, but we are going to look through those who were. There are 200,000 cases we need to review. We think that might affect 26,000 people in total, and we are committed to going through that.

Q7 Steve Darling: DWP is a massive organisation. It feels as if you are almost like a general at a Battle of Waterloo where you have so many moving parts going on at the same time.

I would like to focus on Carer's Allowance and the situation where we are at the moment. Are you confident that this time next year you will be in a position of stopping debts building up and will have resolved those where debts are sitting with people at the moment? It is the personal impact on those individuals who have massive worry about this that I am concerned about. What culture are you driving within the organisation to do this and what key systems are you changing to achieve this?

Sir Peter Schofield: A number of things are going on, Mr Darling. I understand your concern and I agree with you about the importance of getting this right. For example, the fact that we now get the alerts from HMRC when someone has earned over the earnings limit and we are now able and funded to process all those when they come in means we can pick up those situations where a claimant has not told us about an overpayment going above the earnings limit and look into them, and we are doing that in real time.

With the ones that we have done already, we have seen overpayments related to Carer's Allowance earnings fall from 2.1% in 2020 to 1.3% in the last statistics.

Q8 Steve Darling: I am just worried that you are in the weeds straight away. What I want to understand is what strategic management you, as the top dog, are driving on that agenda. How are you driving that culture change? It just feels like it is more of the same from one of the most challenged Government Departments. What culture change are you driving and what management systems are you changing to achieve real change for the DWP?

Sir Peter Schofield: I have put someone in charge of all this, an SRO who is going to own all this and make sure that we deliver across policy through to delivery. I guess that is the first thing.

Q9 Steve Darling: You are not saying what they are doing different to before. What management changes are they doing that you are confident that it is not just going to be the same old, same old and a potential



Charge of the Light Brigade?

Sir Peter Schofield: It relates to a number of things. It is partly about having the tools for the job, and we have a whole series of those. It is partly about how we communicate more effectively, and it is that, too. It is also about making sure that the values of DWP—the values that we care, we deliver, we adapt, we work together, we value everybody—are embedded in everything that we do. When we talk about that, this is a key part of what we are doing. It is tools, it is values and it is management focus.

Q10 **Steve Darling:** You have given me a lot of blancmange that I am finding difficult to nail to the ceiling. What clear evidence of management change is there? I am concerned you are not able to give me any.

Sir Peter Schofield: I have given you two things. I have given you tools and you said talk about the overall, and then I have given you the overall and then you said, "Give me the tools". So I talk about both.

We have a great track record of putting right when we get things wrong. We finished the State Pensions underpayment exercise, for which I was in front of this Committee about three or four years ago. We worked through 870,000 claims. We paid out significant amounts of benefit to those who were entitled to it. We have done the same on other fronts as well.

This is a Department where when we know we have to get things right, we put them right. I just want to reassure you, Mr Darling, that we are determined to put this right. We are putting the resources in place. We are putting the management focus in place. The values of DWP are all about putting this right, and we are determined to do it.

Q11 **Steve Darling:** Thank you. Talking about those values, 87,000 people have a liability under Carer's Allowance. The Minister chose that they are only going to write off 26,000 of those. What values came into play around that decision on what is going to happen to the around 60,000 people who are left out in the cold? What were the key principles to arrive at that figure?

Sir Peter Schofield: We are obviously balancing two things here. We are balancing delivering the service and we are balancing what we need to do for the taxpayer at the same time. The way we deliver that is where we have it wrong, which we clearly have with the operational guidance on fluctuating earnings for those with an irregular pattern. We are going to put that right and we will put all the resources into that. Where people have—

Q12 **Steve Darling:** Values and principles—

Sir Peter Schofield: Let me finish the point.

Steve Darling: I am trying to understand.



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Sir Peter Schofield: I know. Let me finish what I am saying. Where we do need to collect overpayments from people, the values come into how we do that. I regularly sit with our debt folk listening in to calls because what we do when we have overpaid someone is we talk to them about what the repayment schedule can be. If they say they cannot afford a repayment schedule, we adapt it to something that they can pay. We care about how we collect the debt from vulnerable people. We put into place payment schedules that are deliverable for the individual so we get the balance right.

It is partly about making sure that where we get things wrong we put them right and we put them right as soon as we can. Where someone is overpaid and it was unfortunately their fault rather than ours, we have to collect the debt because that is the requirement for the taxpayer and Parliament would expect me to do that, but we do that in a caring way. We make sure the repayment schedule is manageable and deliverable for the individual.

Q13 Steve Darling: How was the 26,000 figure arrived at?

Sir Peter Schofield: Liz Sayce's review identified that there was incorrect guidance that we know goes back to as far as 2015. It relates, as I say, to this technical issue about how you treat fluctuating earnings where someone has an irregular pattern of their earnings. The guidance should have said that the decision maker is allowed to look at averaging out if the decision maker believes that that is a more accurate description of their earnings.

We worked out that we had made a mistake. We then took a sample of just under 1,000 cases and we worked through those with the new guidance. The new guidance was put in place on 3 September. We looked into those and in those we identified how many would have been a different outcome if we had applied the correct guidance. That came out with a proportion that, when you extrapolate out, it gets you to 26,000.

Steve Darling: Thank you. That is really helpful.

Q14 John Milne: Good morning. We have had some correspondence with the PHSO, which expressed the serious concerns it has with the Department about DWP's delay in implementing the Action Plan following the State Pension age investigation and the overall lack of communication of DWP with the ombudsman. This is very concerning since the whole point of the investigation was partly to correct previous failures of communication. How do you explain this clear, very strong dissatisfaction on the part of the PHSO?

Sir Peter Schofield: Yes, the PHSO copied me in on the letter; I was surprised to see it, to be honest. Let me talk to you about the work that we have been doing with PHSO, in particular on the Action Plan and the seriousness with which we are taking it.



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Obviously, back on 17 December 2024, the then Secretary of State made her decision on the WASPI case. Included in that was a commitment to work with the ombudsman on an Action Plan. As soon as we could get together, I met, in fact, the interim ombudsman, Paula Sussex's predecessor, on 16 January 2025, so as soon as we could get together. We worked out how we were going to work together in developing the Action Plan.

It took a while to mobilise, I think, on their side as much as ours, but we then had two workshops in April and in June, and we agreed what we were going to do as a result of those action plans. One was on complaints and one was on communications. In light of that, we then developed an Action Plan within the Department, working across all the relevant teams to develop a plan based on what came out of the workshops that were done with the ombudsman.

That was then completed with a working draft at the end of the summer, which we then had to impact across the Department because we had to make sure it was deliverable—lots of teams would have been affected—and we had a working draft at the point on 11 November when the Secretary of State made his statement to the House saying he was going to retake the decision on WASPI.

This is a serious Government exercise, this retaking of the decision. It does mean that we cannot work on the implementation of the previous decision, and the Action Plan was part of that. I met with the ombudsman before Christmas and I explained where we were with the Action Plan. She said she wanted to know that we had been making progress, so I showed her the draft Action Plan. To be honest, I thought that she was reassured. I thought that if she was not reassured she would have let me know, but she wrote you a letter instead.

While the work on the Action Plan is where I have described it, the other thing I really want to get across to the Committee is the work that we are doing in terms of action on the front of making sure that we have our communications right. We already have a whole series of campaigns under way. We have a campaign under way at the moment called "Check your State Pension age". We are going to evaluate that in April. That builds on previous campaigns, one about "Get to know your State Pension" and one called "Will the retirement you get be the retirement you want?"

We have online tools, such as "Check your State Pension age", and "Check your State Pension forecasts". That enables anyone to go on to the system and see what their National Insurance contribution records look like. It enables them to see what their forecast would be, what their State Pension age would be. We have the pension—

John Milne: Lots of—



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Sir Peter Schofield: Mr Milne, there is so much that we are doing on this front. We have the pension dashboard programme, which I am sure you will talk about in due course.

- Q15 **John Milne:** I appreciate that it is a big problem and there are a lot of things going on, but with this specific Action Plan it has been more than a year since it was first announced, so it is a very long time. What is it exactly? Why was it needed to be paused at all as a result of the legal action brought by WASPI? Why would it affect the plan at all?

Sir Peter Schofield: There is a formal serious exercise going on here, Mr Milne, which is retaking a really important decision by Government. The Action Plan itself flows from a previous decision that is now being retaken. There is a formal Government process under way here. That means I have to stop work on the implementation of the previous decision. That is the formal position that we are under.

- Q16 **John Milne:** Do you believe that it would lead to a different Action Plan from the one you would have otherwise?

Sir Peter Schofield: I obviously cannot comment on the Secretary of State's decision. I am sure the decision will come before too long. So, let's see. The ombudsman knows where we got to with the Action Plan. She saw it in draft. It was based on a series of interactions that we had with her people. Also, as I say, we are taking action to make sure that people are aware of their State Pension age and their State Pension situation with the long list of measures that I described to you earlier, Mr Milne.

- Q17 **John Milne:** Do you have a prospective date when we might actually see the finished plan?

Sir Peter Schofield: Well, let's wait and see what the decision is from the Secretary of State. The Action Plan, with a capital A and a capital P, was something that flowed from a previous decision that has been retaken. There is a formal position here that I am just trying to get across to you. I also want to reassure you that there is a working draft of the Action Plan that was developed before the Secretary of State made his decision, and there is action under way in the here and now, with a long list of things that I talked about before.

John Milne: We do hope that the ombudsman can give us more favourable accounts of proceedings in the future, but thank you.

- Q18 **Joy Morrissey:** DWP previously estimated that up to 210,000 people may have been underpaid their State Pension due to errors in recording of the home responsibilities protection, with underpayments of £104 million to 12,379 people. I would also like to know what the age and gender of those 1,200-plus people is as well. Why, when so many cases remain unresolved, did you decide to close the HRP LEAP exercise and give up on the efforts to reach these people?



Sir Peter Schofield: I want to reassure you we have not given up on the efforts. It is just that the number of people coming through was much lower than we had anticipated it being, and therefore holding those staff ready, waiting for cases that did not come in, given the other pressures that we have under way, did not make operational sense. However, the door is still open.

Let me tell you what we have been doing. The HRP issue relates to people who were receiving Child Benefit, who were not being given an HRP on their National Insurance record. We think that this was all happening in the period before the year 2000, so these are quite old cases. We identified a problem because it came up in the survey that we did for our annual fraud and error work. We identified the problem. We identified the scale of the problem through the sampling exercise that we did, and that gave you the numbers that you described before that we had made provision for in the previous set of accounts, and we built a team ready to go.

The process, though, involves two Government Departments because the National Insurance record is held by the HMRC. If there is a change to the National Insurance record, HMRC then passes it on and we can adjust the State Pension as a result. So HMRC led. It was joint work. We had joint teams working together, but HMRC wrote to the 370,000 people that we thought might be affected, or the population within which we thought there would be people who were affected. It also had an online system. HMRC had 500,000 hits to its system.

In the end, very few people then translated that into making a claim. We did some research to try to understand why that might be, because we were quite perturbed—for the reasons you describe—that people were not coming forward to get the money that they were entitled to. That suggested that unfortunately some people did not believe the letter, so HMRC did a load of work to reassure people about the letter. It put things on its website to say, “If you get a letter like this, this is not a scam”, but people did not necessarily believe it.

Some people said, “Well, look, I am perfectly happy with the income I have”. Maybe some people were worried that if they got more State Pension it would affect their Pension Credit entitlement and, therefore, their access to other benefits as a result. Other people just said, “This is such a long time ago. I do not really want to come forward to claim the money that I am entitled to”.

We continue to work on this. The system is ready to go. When people do claim, if people come forward, people are there to deal with the claim. We are doing everything we can, and I want to reassure the Committee that the LEAP exercise, in terms of standing a large number of people ready to go, has ended but the access to this system is there and will continue to be so.



error that was happening with HMRC, and how far along? Is it just women and did this error continue for 10 years or did it continue for five years? Is it only HMRC that is giving the communication information? Is it that it affected their pension? Is it that it affected their National Insurance contribution top-up and that it was not paid? Is that what happened, that HMRC did not bring that over?

Historically, that is an issue for women. Historically, for women who have been carers, having their pension topped up has been something that many Governments have tried to fix. I am just wondering where the heart of the problem was. How long did it persist, so we know how long it is going to affect people, and was it primarily women who were affected or did it affect others?

Sir Peter Schofield: Yes, it was women who were affected, and it was the period between 1990 and 2000, we think. That is what our sample would suggest. We think it relates to the way that in that period we were uploading National Insurance numbers into the system when people claimed Child Benefit.

How does it affect people? Well, it all depends on the rest of their National Insurance contributions record. They need a certain number of years in order to get a full pension. It may be that the years that they missed their HRP do not matter. I think for many people it does not matter because in any case they already had a full pension. It is for those people on the margins who did not exactly—

Q20 **Joy Morrissey:** They would not be on the margins because—I have not looked at the data, and I am sorry to interrupt—it would make me think that, if they are already receiving Child Benefit, they are probably carers, women who sometimes would historically struggle with topping up their pension or their National Insurance contributions anyway. I am wondering if they have even received this information from HMRC. They might listen to DWP, but if you see something from HMRC it usually makes you want to hide. I do not know if you have taken on any of those communication responsibilities, too, or is it just HMRC?

Sir Peter Schofield: We are referring to it in our operating letters so that people can know about that from us, too. Yes, the lead is HMRC. I know you frown, but to be fair to HMRC it is doing a lot of work to try to reach this community and it did write to them all. HMRC wrote 370,000 letters and it had 500,000 hits on its website, which suggests that the awareness was there.

It is also working with other advocates. I think Martin Lewis has done quite a lot of work with us on this to try to raise awareness. It is a hard one. Catherine wants to come in. You probably have more details, Catherine.

Catherine Vaughan: One of the things I wanted to make the Committee aware of was that every year, in our annual report and accounts, we



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provide an update on the amount of potential underpayment that we think still arises. At year end last year we were estimating that it was £30 million with an estimate of about 3,000 people affected. That is because over time we have managed to narrow down the number of people and make payments. So, although we did talk about the £134 million, a significant proportion of that has been paid out.

Our latest estimates are approximately 3,000 people and about £30 million. However, as Peter said, we have not closed off the opportunity for people to keep making us aware and continue that correction. We will provide an update with the latest figures when we publish this year's annual report and accounts as well.

Sir Peter Schofield: That is the provision that we are expecting we might have to pay out in the future. A total of 12,379 payments were made as of 31 March. You are right: it is much lower than we thought it would be, but I think the people have not come forward for the reasons that we have described.

I just want to reassure you that the door is open so people can apply. If you have constituent cases that are affected, then please encourage them to put in an application and our people are ready to go.

Joy Morrissey: I will. Thank you.

Q21 **Lee Barron:** I am going to pick up on Pension Credit. However, before I do, I want to go back to follow up on John's point in relation to why the Department has put its Action Plan on hold as far as the WASPI women are concerned, because I do not see that making any sense at all. The Government have taken a decision or a reconsideration in terms of what the ombudsman said with regard to compensation is my understanding. How we got there, how the women were let down—that is still relevant and the Action Plan is still relevant. I fail to see why it stopped due to that reconsideration because we know how we got there and the lessons need to be learned. That is what the ombudsman has pointed out, so I do not see why we have stopped and I do not see any reason for that whatsoever. All we are going to do, regardless of what the reconsideration is, is implement the same Action Plan.

Sir Peter Schofield: Yes, and I would reassure you that the actions that were in the draft Action Plan are under way. I gave a very long list—in fact, I think I bored Mr Milne with my list of things that we are doing. These are all actions that we are taking to get to the heart of the problem about how we make sure that people are aware of their pension situation. The online tools are available; the campaigns are there.

The pensions dashboard I think is going to make a massive difference to enable people to see not just their State Pension but all the potential other pots available. The Department is working very hard to make a difference. I am just making a distinction between action and the Action Plan committed by Liz Kendall on 17 December 2024 that related to a



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decision that has been retaken. That decision is now being retaken by the Secretary of State. I imagine it will not be too long before he makes his decision, but action by the Department—and I understand where you are coming from, Mr Barron, I really do—is action under way in the here and now. We are acting and there are all these different things. I can talk you through the different online tools available or the campaigns that we are doing just to reassure you if you would like about the work that we are doing.

Q22 Lee Barron: No, I think we have heard that. I am just curious why the Action Plan has stopped. Anyway, I will move on.

The Pension Credit now has the highest rate of fraud ever, with overpayments of 10.3%. We know from our pensioner poverty inquiry that the Pension Credit application is very long and detailed. Given all the information you collect, why are you not better at preventing cases of fraud and error arising in Pension Credit?

Sir Peter Schofield: Thank you for the question. As you say, we have been working to encourage more people to apply for Pension Credit. Now only around 10% of people apply using the paper form and the paper form has been superseded for most people by telephony or by an online channel. The problem with the paper form, and I know it has been referred to a number of times, is with 200 questions and all the rest of it, but a lot of those are because you have to put in questions to relate to certain circumstances that might not otherwise apply.

If you have a child in your claim, you must fill in a certain number of questions; if you have a disability, you have to fill in a certain number of questions. If you have a second child, that adds another set of questions. With the online or the telephony channel we just take you to the questions that you need to answer that are relevant to you. That makes the whole process much more streamlined and enables us to get through the claims more quickly. We are now in a good position with very low outstanding heads of work on our Pension Credit system.

You asked the question about fraud and error in the Pension Credit system. That relates to the fact that there is complication in the eligibility. The biggest areas of fraud and error in Pension Credit relate to capital and abroad fraud, so people who are claiming who are abroad for longer than they are allowed to be under the eligibility of the benefit. We are tackling those and there are a number of measures that we have under way.

A key thing is encouraging people to let us know when there is a situation that means that they should not be entitled and reminding people of their obligations to let us know, but we are also using access to data. Some of the things that we are doing to drive down fraud and error in Universal Credit are also relevant to Pension Credit. We are working hard on capital fraud in Universal Credit.



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Access to online open banking systems enabling people to share their bank account details with us if they want to or the new measure that came through the new Act of Parliament that was passed before Christmas enabling us to get data support from the banks will enable us to get into capital fraud. We are also able to work in terms of other types of fraud around earnings using the same channel that we use on Carer's Allowance to get access from HMRC data, and the eligibility verification measure in the Act will allow us to pick up on transactions that are made abroad. That picks up on abroad fraud as well. We are doing a lot of work building on the work we have done on Universal Credit.

I reassure you that where we have focused on fraud and error hard, and we started with Universal Credit because it was the biggest area of loss, we have seen big improvements. We can now turn our attention to Pension Credit as well. We are also doing a targeted case review so we will add that to the list on Pension Credit.

Q23 Amanda Hack: Thank you for coming to speak to us today. I wanted to go into some detail on fraud and error. The DWP accounts have been qualified for 37 years so that means we have not had an unqualified set of accounts since the 1980s. That is a considerable amount of time. The target to reduce overpayments to pre-pandemic rates will not remove that qualification and we will still see billions of pounds lost to fraud and error.

What is our ambition? It does not feel as ambitious as it could be. I look at the numbers in front of me and if you look at Universal Credit—and I realise there are far more claimants nowadays because of changes—in 2019-20 we had £1.7 billion and now we have over £6 billion, and that is just on Universal Credit. What is the ambition? How do we get back to an unqualified set of accounts and what is the long-term vision to try to address this?

Sir Peter Schofield: Absolutely, this is a big focus for us in the Department as you will have gathered. Coming out of the pandemic we set out a tackling fraud and error plan to drive down fraud and error and there were a number of measures that we took.

What you saw with the statistics published in May is that fraud and error in Universal Credit has gone down from a height of—I like to use percentages because it picks up on the point that you made about the sheer number of additional people claiming Universal Credit. That number pre-pandemic was 9.4%. It rose at its peak to 14.7% in 2021-22. The numbers that we saw in May that we published for 2024-25 were 9.7% so it is almost down to the pre-pandemic level. Since then we have also had the Budget, new measures announced, and we have had the Act of Parliament that I was talking to Mr Barron about. That gives us new tools.

The OBR as part of its forecast in the autumn produced its assessment of where all our measures would get us going forward, and that showed us going down with fraud and error in Universal Credit to 7.5% in 2028-29.



That is well below the prepandemic level. Indeed, if you apply that across the whole benefit system, that would take fraud and error in the entire benefit system to 2.8%, which is comparably lower than it has ever been before. That is what I am aiming for. I talked to the Public Accounts Committee about that on 4 December. That is exactly where we want to get to.

On the qualification, you are right: 37 years. It is a very technical thing. It is not a qualification in the normal private sector accounts basis of true and fair. You can believe the numbers. It is on a regularity basis it is saying that too much of the money is being spent in the way that Parliament did not intend.

I met with the Comptroller and Auditor General and the Chair of the Public Accounts Committee a couple of weeks ago following the hearing that we had on 4 December because we discussed in the hearing that having this qualification—a qualification is a serious thing and I should be worrying about having a qualification, but when it is 37 years, 38 years or whatever, it does not have the impact that it should do.

We all want to get to a position where that qualification can be lifted so it can be held over me, so I can be worrying about it. The Committee Chair of the Public Accounts Committee and the Comptroller and Auditor General want to see us get to that point that we have in the forecast. Where I am heading for, 2.8% by 2028-29, is where the Comptroller and Auditor General and I think the PAC want us to get to as well. That is the target; that is the aim.

Q24 Amanda Hack: I suppose the element is in terms of performance, because this could be utilised as a performance measure for the Department, there are other steps in place to control the issues that we have around fraud and error. Is there a need for us to be able to distinguish between malicious and careless overpayments, so those people who are deliberately overclaiming or not telling the information, and the accidental overclaims? What do you think that balance should look like?

Sir Peter Schofield: We do have that in the statistics, so we distinguish between fraud and claimant error and those are two different numbers. Out of the 3.3% I think 2.2% was fraud. Some of the rest was claimant error and some of the rest was error by the Department. Those are the three categories of fraud and error in the system. We measure those in the way that I have described and those are published in the numbers. Catherine can probably do a bit more on the numbers or their definition.

Catherine Vaughan: In our fraud and error report in the annual report and accounts we do set out hopefully as clearly as possible the different definitions of fraud and error because there are a number of different components.



One of the things that I was going to talk about in relation to controls and the qualification that you raised was that we have been working very closely with the National Audit Office on our overall controls framework, making sure that we have the balance right between controls that prevent fraud and error but also a system that is responsive to customer needs, that operationally works.

We need to make sure that we have the balance right between fraud and error prevention and operational efficiency and support for our customers. We are also talking to the National Audit Office about how to balance those things and ensure that we have the right value for money in our overall control framework.

Q25 Damien Egan: Staying on the theme of fraud and error, we note that in the last financial year your target for savings was £1.7 billion but the Department delivered more than that, £2 billion. For the next year will those targets be more stretching?

Sir Peter Schofield: They will be because part of that is the targeted case review, which delivered around £500 million of savings in the year you talked about and will be rapidly increasing over the year ahead because we have mobilised. We now have a full team working on that and they are working at full pelt to deliver the savings.

We moved away from an annual AME savings target for this year to focus on getting fraud and error down to the pre-pandemic level in the way that I described to Ms Hack. That is the objective because it is a better measure. If you look at savings that is savings from a high base. We want to get the base down. That is at the heart of all this, but we do also measure the effectiveness of all our interventions. They add up to in the last year £2 billion of savings and will deliver more than that, I am sure, this year because of the build-up of the targeted case review.

Q26 Damien Egan: Thank you. You started to answer some of my next question, which was focused around the targeted case reviews. The savings were £581 million; obviously, the aim is to save a lot more than that. Do you want to tell us more? You talked about ramping up that work. Can you tell us more about that and the confidence that you have that you can achieve that savings target of £13.6 billion over the next four years?

Sir Peter Schofield: This is something that we have been funded by the Treasury to deliver because of the effectiveness and because it makes such a difference. We have had DEL funding, so funding for our running costs, of around £300 million this year and that continues at around the same level and then builds in 2028-29. That helps us to fund around 4,000 agents working away on the work, so it is a huge endeavour.

We are planning to save over £1.4 billion this year coming out of the targeted case review. That rises to over £2 billion in the year after and then in a few years' time we will be over £3 billion a year, so this is a



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huge amount of savings. That dwarfs the scale of the targets that we were talking about in previous years, but this is a huge part of what we are doing to try to make a difference. That is around detecting fraud before it comes into the system.

Alongside that we have other measures to try to prevent fraud coming in in the first place, which is obviously a much better way of addressing things. There are things such as reminding people to let us know about changes of circumstance, through to other measures to encourage people in particular life events such as at a point when someone has a family member, children over the age of 16, to remind them to let us know whether they are still in full-time education and still entitled to the child element and that sort of thing.

There are a load of measures we are doing on prevention, but the big detection one is the targeted case review and it is delivering those savings at that scale.

Catherine Vaughan: It might be worth talking a little more about the management information we use to understand where the targeted case review is achieving what we are intending. We think about the productivity, so the number of cases that individuals are able to look through per day. We look at the hit rate, so how often they find errors in the cases, and then we look at the amount of AME savings as a result of any overpayment. We will also detect underpayments at times and will want to put that right as well, but that management information is critical for us then making judgments about how much to continue to invest.

Again, we will make the latest information available in our annual report and accounts as we did last year on the productivity of those interventions. It is because of that that we have the funding to extend the targeted case review process longer and to expand it into Pension Credit, which Peter talked about earlier.

Sir Peter Schofield: Does the Committee have access to the National Audit Office report on fraud and error in the benefit system that was published? There is a great table in there and it builds on Catherine's point. It is on page 36 if you have it with you. It has all the management information. It shows some of the measures that we use to check on the effectiveness of the targeted case review and it picks up on our ability to focus our efforts where they need to be focused more intensely and where things are going more effectively. We are under Barbara's control, of course.

Barbara Bennett: It is worthwhile noting the human element of this as well. First, anybody who works on the frontline, be they in a service centre, a jobcentre or any of our teams, is passionate about making sure that every penny that we have gets into the right pockets. Those of you who have sat in with our frontline staff will see that.



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The other thing, coming back to the point about listening and learning as a Department, is that we have taken a lot from the insight that the universal case review has given us so that it does feed into some of those prevent measures. For example, we know and see that there is a particular challenge for the self-employed; as a result, we have deliberately put together a taskforce to support people working with us who are self-employed because that sets them up well for the first three or four months that they are claiming with us.

Targeted case review is not just about fining; it has been really good at supporting us on that whole informing the prevent. We have a button on the Universal Credit system now where an individual can write and say that something is not quite right about this case, for example. We are doing whole case review as well so it is not just looking for particular things but once they go in they are looking across the whole case. It is great to be able to go into that system of continuous improvement.

Q27 Damien Egan: Thank you. To continue on the learning from the Department, I was surprised that the hit rate where fraud is detected was, our report says, 20%, which seemed high. Clearly, it is a very important area for the Department to focus on. Conversely, in 80% of the cases that get reviewed fraud is not being found. I wanted to ask about the learning. Some of the feedback that we have had as a Committee is around the burden, which is to an extent understandable, but also learning to make that process for the person being reviewed as simple as possible.

Barbara Bennett: Yes, and we do that. Understandably, we would want to be able to ask for information about bank account details and so on to do the verification, and I think that work has led to some of the work that Peter has referenced about that verification, the periodic redeclaration that we are asking people to do. It has definitely come as a result. We want this to be a process that works for both parties. We not only find overpayments but they are also looking for underpayments.

It is an opportunity for us to make sure that we get that claim right as early as we possibly can and what we try to do is to feed that learning into our training. As we ramp teams up, we need to make sure that we recruit the right people as well.

Sir Peter Schofield: I sat alongside the teams doing this some time ago in Essex and it was interesting. They are determined to get this right. They were celebrating where they found cases of underpayments and they could get more money to people who were entitled to it but had not claimed it. They also talked about what they do when a case comes in front of their desk of someone who has complex needs—how to make sure they are giving that customer the support that they need and the opportunity to do various calls to reassure the customer and even to send a visiting officer to their home if they need to do so. There is a lot of care that goes into this and it goes back to the values that I was talking to Mr Darling about at the beginning.



Q28 Damien Egan: I will move us on to Universal Credit, the advances model: where people can get their Universal Credit before the five-week wait. The impact on protected characteristics has been assessed but because of the data there is only one protected characteristic, age, that is reported. Of the four outcomes that were assessed you have identified issues with two of them. I want to ask about your thoughts on the fairness of that model.

Sir Peter Schofield: As you say, this is people who are claiming in advance before they have been through the full Universal Credit process. There is an optional declaration form about their characteristics but they may not necessarily have filled those in. Indeed, fraudsters probably will not have filled them in or will not have filled them in correctly, which is why the only data we really have to go on at that stage in the process is age, because you need that to make an application, and location. We need to have 70% of claimants declaring on any characteristic for that to be relevant.

What you have seen in that effectiveness review that we published is that what we compare is the proportion who are referred by the model to the proportion who end up being found to have a fraudulent claim. In those two cases, the model overrepresented people in the older age group. Sadly, that includes people in their 50s and people who have been from abroad. That flags that up.

The key thing to bear in mind, though, is that is just one stage of gathering evidence. All that evidence goes alongside other sources of evidence to a decision maker. The decision maker will also have referred to them cases that are not flagged up by the model just to pick up on anything else that is going on, and the decision maker will then make a decision based on the evidence that they have. This is not an automatic, "This goes from here to here and we have made a mistake." This is just drawing on data that we have.

What we have discovered is that the model is three times more effective at identifying the right people than a random one would be, which is why the conclusion of our effectiveness review is that it is worth carrying on with. It is small scale to overall fraud and error detection and prevention.

You will have seen the numbers in the NAO report are £4 million or £5 million in the time that we have been running that. Compare that with the marvellous table on page 99 that sets out the totality of fraud and error prevention and detection activities: we measured £25 billion of fraud and error avoided last year. The machine learning doing £4 million or £5 million over the two or three years that it has been running is a very small part of an overall system, but it is an important one.

People worry about the way that machine learning works, which is why we are trying to be transparent. We started publishing our effectiveness review and the Public Accounts Committee was interested in this. We brought them in for a private hearing because there are some aspects of



the model that we would not want the fraudsters to know about. It is worth doing because it is three times more effective than not doing it at all.

Q29 Damien Egan: That is a very important statistic to draw on and I understand the Department is developing and testing for more machine learning models. You have said that people will have that concern in their mind about fairness so can you tell us a bit more about the learning? I appreciate you cannot talk about the mechanics of the model, but how can you ensure that there is fairness and give reassurance to people?

Sir Peter Schofield: I think the reassurance is we will continue to do these fairness models and these fairness reviews and we will publish them. That gives people the reassurance.

The main thing I want to get across is the point I made before: that this is not an automatic robotic system where something goes in and money gets stopped. This is just helping us to gather evidence, helping to target the work of our agents, our case managers and our fraud investigators on to the cases that are more likely to be fraudulent. It helps us to use our resources to target more fraud as a result and increase that hit rate number that we were talking about before.

Q30 Damien Egan: Am I correct in saying that there is no intention to change it; it is always humans that will make the decision?

Sir Peter Schofield: It is always humans who make the decisions. In our fraud and error work we do not stop any benefits without a human looking at this, reviewing all the evidence from all sorts of different sources that they have, including understanding markers of vulnerability and complex needs, and then making a decision off the back of that.

Catherine Vaughan: Perhaps just to add that we know that transparency and how we use machine learning is incredibly important and we have published in accordance with the DSIT algorithmic transparency register all the details of the algorithms that we use. The fairness assessment for UC advances goes beyond that and we are committed to making sure that we are transparent about where that is used. However, as Peter said, there is always a human taking the final decisions in relation to fraud and error.

Barbara Bennett: Just one point from me. One of the things that happens in targeted case reviews is when an agent is reviewing them they do not know why the case has come to them. Hopefully that is a reassurance that on the human element that bias is not there. They genuinely do not know when they are looking at it, so it forces that whole case review but there is not that instance of bias there, which for me is quite reassuring from a human perspective.

Q31 Damien Egan: Thank you. I have one more question, Chair. We understand the Department is working with the Home Office to access data about people leaving and entering the country. I know that when I



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went to my local jobcentre that is something that they were saying they really needed. HMRC recently experienced difficulties in relation to Child Benefit and the payments because of the poor data on entry and exit. How will similar errors be avoided in your work with HMRC and the Home Office?

Sir Peter Schofield: It goes back to what I was saying before. This is one source of data that comes in where a human needs to look at that and what we do not do is automatically suspend a case based on one source of data that comes in. I think what went wrong with HMRC is that it was suspending payment pending the investigation, whereas what we would do is review the evidence that has come in before making any decision along those lines.

Chair: That is reassuring. Thank you very much. We are going to take a short break now.

Sitting suspended.

On resuming—

Q32 **Chair:** Welcome back to the next part of this oral evidence session with Sir Peter Schofield, Permanent Secretary to the Department for Work and Pensions, on the Department's annual report and accounts. I am going to hand over to John Milne.

John Milne: Last year claimants received £4.9 billion less than they were eligible for; £1.2 billion of that was due to official error and £3.7 billion due to unfulfilled eligibility or, in other words, they did not claim as much as they were legally entitled to. The media is always way more interested in the fraud and error rather than the unfulfilled aspect. You touched on this a little bit before, but what are you doing to reduce the underpayments and make sure that people do get everything they are entitled to?

Sir Peter Schofield: Thank you for raising it. You are right: there is a lot of focus on the overpayments and not enough on the underpayments. I want to assure you that I care as much about the underpayments as I do tackling the overpayments.

There are several elements to that. At the end of the day for most of our benefits we do rely on the claimant letting us know about a change in circumstance. One of the key things we are doing and increasingly trying to do more of is to remind people to let us know and make it easier for people to let us know. We are running a new campaign around "Tell us too" so when something has changed in their circumstance they might tell a friend about it but can they also tell DWP. There are some rather cringey adverts that might be coming up in the not too distant future but they have a serious point, which is please let us know about a change in circumstance and we can make a difference. That is about adjusting up and adjusting down, of course.



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We then are also trying to make it easier for people to let us know about a change of circumstance with online systems, so developing a customer account where you can bring together in one place all the different benefits that you have from DWP. You can see them in one place and the idea is you will get to a point where you can make a change of circumstance on that system and that will then be replicated across all the DWP benefits you might be receiving. There is a load of work we are doing on that. We are working with our operational stakeholder engagement forum and that is with external advocacy bodies and other stakeholder groups to help us always improve our communications.

The biggest area of unfulfilled eligibility, which I am sure you focused on when you studied the numbers, is around disability benefits, particularly PIP, and there are several things we are doing on that front as well. These relate to a situation where someone is on PIP but sadly their health condition has deteriorated so they would be entitled to a higher premium within PIP. That is the situation we are talking about. It is about how we encourage people to come forward and let us know about a worsening in their health condition. One of the things we do is prioritise those requests when they come in to make sure that they get access to a health assessment quickly so we can put that right quickly, so they are towards the top of the queue in those health assessments in that process for PIP alongside new claims.

The other key thing that we have often talked about is how we facilitate that for people who have more severe conditions. We have our visiting service that goes out to people's homes. I think in something like 28,000 cases last year we had a visiting officer who went out to someone's home to help them make a claim for a change in their PIP award, so helping people in person.

Q33 John Milne: Were you selecting them in some fashion or was that a random test?

Sir Peter Schofield: These are people who have a severe condition. That is the best way to help them and we send visiting officers out to help people fill in their PIP claims. I think I have talked to the Committee before about an amazing morning I had in south London some years ago when I visited someone's home with a visiting officer. This poor woman was bedridden with carers three times a day and we sat around her bed, me and the visiting officer, and we basically filled in her PIP application form for her to enable her to get on the benefit and get the money she was entitled to. We do that for people who are also already on the benefit or where there has been a worsening in condition where they need that support.

Q34 John Milne: Do you find people are not proactively making the claim out of ignorance or out of fear that they might be reviewed in the wrong direction? What are you finding?



Sir Peter Schofield: That is such a good point and there is a lot in that. I have sat with customers in the past who have lost their PIP, who have been very upset because they have gone forward for a reassessment and they have lost their PIP rather than getting a higher award. In fact, the person I remember talking to appealed and received the higher award in the end.

People do worry about the system. That is at the heart of the other point I was going to make on this point, which is about trust—trust in DWP. We want to be an organisation where people feel when they come forward they will be fairly treated. A lot of it is about fear that they have their PIP at the moment; yes, they might be entitled to more PIP but the one thing they cannot risk is losing the PIP they have. How do we do that?

We have Sir Stephen Timms doing his review on PIP at the moment anyway, but one of the things that we have been doing as part of our health transformation programme is experimenting with something called case management. I cannot remember if I have talked about this with this Committee before, but case management involves at the moment under this system when you phone up to claim PIP you will be put forward to someone who says, "I am Peter. I am from DWP. I am here to help you with your PIP process. I am here to help you understand what PIP is about, here to help you understand what evidence you need to submit." When the decision is made they help them to understand why the decision was made, because people often get this letter through the post and they do not understand why they have had this decision. It can be talked through and they can then feel they can trust the decision that has been made.

The trials that we have done suggest that that leads to better outcomes. It saves money because fewer people at the end of the day make appeals because they understand the decision in the first place, but we are hoping it also creates more trust so that when people need to come forward because of a worsening in their health condition they believe they are going to be treated fairly. That is something that we have been rolling out at a short level but we plan to get to a point where 20% of claims in a couple of years' time will be handled in that way. That is building up towards rolling out a full change to the whole way we do PIP, subject to the review by Sir Stephen Timms, by 2029 at the end of the health transformation programme, so building that up.

We are also doing a load of work in terms of DWP's reputation about understanding trust and what we can do about that. There are a whole series of measures under way to help us tackle this point about unfulfilled eligibility, particularly in disability.

John Milne: We need a different name for it.

Sir Peter Schofield: Exactly. It is not a good word to pronounce.

Q35 **John Milne:** I very much agree that trust overall in DWP is one of the big



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issues but that is wider than this particular area.

Sir Peter Schofield: Indeed. We should talk to you at some point about the work we have been doing on reputation because it is important. It is something that we care about hugely in terms of how we come across to our customers and the wider population.

Q36 **John Milne:** Lastly, what assurance can you give us or can you offer that removing unfulfilled eligibility from the auditor's qualified regularity opinion will not lead to complacency about the claimants receiving less? In other words, park it in a different box and you do not have to explain it.

Sir Peter Schofield: You have noticed the figure. It is a technical thing about what is regularity and what is not. It matters for the qualification, what is in and what is out, but in terms of how we treat it there is a big section. We have committed to continue to report in detail in the annual report and accounts so that you can see and you can hold us to account. It matters as much, as I said, as getting the overpayments, underpayments and unfulfilled eligibility down and these are some of the measures. I imagine as we put it in the annual report and accounts each year you will hold us to account each year for progress on it.

Q37 **John Milne:** I am joking about names but in a way it is important because the way we name things affects the way people look at it. Fraud and error, overall people hear the word "fraud" and not the "error" and the fact that it is the Department is a cause for a lot of it but they just hear that one big fat number and attribute the whole lot to fraud.

Catherine Vaughan: In fact, there is much more disclosure in the annual report and accounts now that we have worked with the Comptroller and Auditor General to split this out. Before it was not as clear exactly how much unfulfilled eligibility there was in the overall statistics. I think this is a strong argument in favour of being really clear and expanding the information that we provide rather than lessening it.

Q38 **Mr Peter Bedford:** I turn now to the broader remit of the Department. Clearly, you are a high spending Department. You have the second highest number of headcount. In terms of being set up to deliver the various things you need to deliver, including the new skills brief that you are under, on page 140 of your annual report and accounts you say, "We are continuing to invest in our talented staff in junior grades through leadership schemes and apprenticeships".

Then you go on to say that you have slashed apprenticeships from 5,000 to 3,500 within the Department. You are promoting skills but you have cut your own apprenticeships by 1,500, a third essentially, within the Department. I have also been passed information to suggest that the number of skilled visas that you are sponsoring for foreign nationals has increased significantly. What are you doing as a Department to be set up for delivering the priorities of the British people, including the additional priorities of skills and jobs?



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Sir Peter Schofield: Absolutely, and I think the machinery of government change that we saw in September was an important change for the Department. I was here with the Secretary of State back in November and he was talking about the ambition for the Department around work and opportunity. That is exactly what we are set up to do. Barbara can say a bit more about how we are integrating the skills agenda at a local level.

Across the Department, though, it is important to do two things with the movement of skills coming across. One is to make sure that there is no loss of the connectivity across the whole skills system. Some of this sits in DFE as well so we have a joint Minister with Jacqui Smith doing that and a team supporting her with a director from both DWP and DFE. We have had the skills White Paper published in October, which demonstrated how we were working together with Education and DSIT across those three Departments to make a difference and to reform the skills system.

The key thing for us is making sure that the skills system, apprenticeships and adult skills is directing people into those roles in the economy where we need them most, filling vacancies, supporting growth of businesses and helping people to move on in their lives and achieve their potential. The opportunity to connect across with our own employer engagement work, with the work of Skills England and working with Skills England to improve its remit so it is focusing in on filling in gaps are all important elements.

Q39 **Mr Peter Bedford:** Do you see a bit of a contradiction between delivering those priorities and then the Department still heavily sponsoring the skilled worker visas for, say, executive officer level positions in the Department? If you as a Department are going abroad to get people to fill vacancies but then as a Department you are also delivering to ensure that the country is filling vacancies internally, there is that tension. Do you not see the contradiction?

Sir Peter Schofield: We recruited 11,000 people last year. We are bringing people from all walks of life into DWP and we are a great example of social mobility in terms of some of the people we are bringing in from different backgrounds and giving them opportunities. Our demographics are very strongly pro-supporting a diverse workforce. You will have seen some of that in the annual report and accounts.

On apprenticeships, there was an issue in terms of the civil service operational delivery apprenticeship scheme where we have a temporary reduction while we review that scheme and improve it. That is about developing something that works for the people we support and bring in.

Q40 **Mr Peter Bedford:** Do you envisage the apprenticeships to increase beyond what they were before? There were 5,000 the year before. Do you see that number increasing back up to that level and beyond?



Sir Peter Schofield: I am going to be slightly vague because there will be a range of different skills and training that we need, but investing in training and support absolutely, growing on investing in training and support. This goes back to the heart of the organisation. I am slightly moving around a bit but thinking about how DWP is changing over the period going forward as we make more use of digital technology, so the responsibilities of our frontline people will change as well.

Having digital skills really matters, having people who can work across a range of benefits so they are able to meet the needs of customers rather than being in a position where customers are moved from one agent to another as we deal with different parts of the claim.

We are reskilling and upskilling our people. That is a key part of our people strategy that we are developing and I am sure we will put more about that in next year's annual report and accounts. Apprenticeships will be part of it. I will just not be drawn on the precise numbers of apprenticeships as opposed to other forms of learning and development, but our people survey scores on learning and development are pretty much as high as they are across anywhere else in the civil service.

Catherine Vaughan: Could I bring in another route by which we bring talent into the organisation and develop people? We host the Government Security Academy on behalf of the whole of government and that has been a brilliant opportunity for us to bring in non-cyber experts and people from a whole range of backgrounds, including some of our own frontline operational colleagues, and train them with cyber skills. We believe they have the aptitude to do that rather than relying on expensive high-end technical skills, which are incredibly important for the Department as well; however, the Security Academy has been incredibly successful in bringing new capability into the Department and on behalf of the whole of government. For us there is a range of different ways as well as apprenticeships in which we will want to develop the specialist skills that we need as an organisation.

Q41 **Mr Peter Bedford:** Just before I hand over to a colleague who has some more questions on this, when we are talking about ensuring we have the right skills in the Department—and I get that on page 140 you commit to ensuring you have the right talent, training and so forth—historically there has been a propensity across both the private and the public sector to take the easy route by hiring foreign nationals to fill vacancies rather than investing in education, training and skills internally. What are your thoughts on that?

Sir Peter Schofield: Our focus is on bringing people particularly from local communities into our jobcentres to work in our frontline roles and bringing in a diverse range of people locally. It would only be in very specific circumstances that we would need to bring someone in from abroad. Our workforce is very focused on people from within the UK and people who have, as I say, a diverse range of backgrounds. I think our story on social mobility within DWP is a very strong one.



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Q42 Rushanara Ali: Good morning. You have the adult skills funding strategy and a substantial part of that is being devolved to mayoral strategic authorities. Can you tell us more about how that is working and how you will equip jobcentres to be active local partners to deliver better outcomes?

Sir Peter Schofield: Barbara, do you want to talk a bit about it? I will say a little bit about how the machinery of government changes happened but Barbara can talk a bit about the really interesting things in terms of how we work locally through jobcentres in this way.

The announcement was made in September. We set up a team to bring people across on a lift and shift basis to make sure there was no loss of continuity for training providers and others who received money from DFE in the past, so they still receive it in the same way going forward and bringing people over into important roles. At the same time we have also given Skills England a new remit so there is continuity where we needed it but also the opportunity for significant change. We have had £1 billion announced in sector skills strategies as well as work locally in local skills improvement plans. It is probably in the local skills improvement plans that we do quite a lot of work locally with local areas in particular.

Q43 Rushanara Ali: Barbara, before you come in, when you are responding to that can you explain to us how outcomes are driven from the centre working with the devolved and local skills centres?

Barbara Bennett: We are already doing this. Many of you will have sat in your jobcentres. You will have seen that we already have national careers advisers within our jobcentres. Our work coaches are already geared up and obviously we have a very strong local partnership arrangement with all our mayoral combined authorities and local authorities. This is not new. We are excited about the input of skills. At its core what we are trying to do is make sure that we have the right people in the right place.

There is quite a lot around the skills machinery of government that really talks to place and those local skills improvement plans. Every person, every leader in an area of a jobcentre has an objective to be part of the local skills improvement plan in their area. They cannot do their job unless they do because it is such an integrated works. Not only is it something that we train when people become team leaders and managers within the jobcentre but there is also a push and a pull. We work not only with the local authorities to make sure we have the right skills, we work with the skills improvement plans and then we work with local organisations as well.

Q44 Rushanara Ali: In outcomes terms, what do you expect to see in terms of these changes in relation to overall outcomes and the number of people who are able to get the right support to get into work? What are the national objectives, the changes you expect to see in terms of more positive outcomes?



Sir Peter Schofield: Staying with local skills improvement plans to begin with and then helicoptering out, if you like, the way that works is that Skills England provides guidance to local areas. It is about to publish new guidance for the next three years as to what needs to be done. It is then led locally by the business community but bringing people together from across the different sources of support. That will include FE colleges, the jobcentre network, the local council and other providers of support in the area. That is all about finding the right solution in that area.

For us this is about making sure that skills gaps are filled but how that is tailored in different areas subject to the overall guidance from Skills England will vary according to the local labour market. It is one part of an overall set of approaches where we have a lot of devolution of funding alongside national programmes that then work together in the local area to meet the needs of local economic geographies. For us the way that we measure outcomes is around seeing those outcomes translate into vacancies filled and people into work in different areas and comparing where we were before with where we are going forward.

Barbara Bennett: The other thing that we are positive about is this link between supply and demand. It is not just about the right people with the right skills; it is the jobs as well. That is one of the things that we have been doing. We have been working with trade bodies as a result of these conversations. We had the Skills for Care that we are working with in adult social care. We are working with energy and utility skills in specific areas to make sure that there is that supply and demand.

The other thing that is very positive in terms of the skills moving across and Skills England is the fact that they are already managing very good, strong relationships nationally and locally with key employers. We are bringing together our strategic relationship teams and theirs and making sure that we have one consistent conversation so that we do not have several people talking to the same employers.

Q45 **Rushanara Ali:** Just on that, what are you doing in areas where you see less positive results in spreading good practice? Are you co-ordinating interconnections and with employers?

Barbara Bennett: Yes, especially from the jobcentre perspective we buddy up with jobcentres that either have similar challenges or similar skills gaps and what the lessons learned are. We have just done that very specifically.

For example, in Birmingham we have many people out of work but lots of digital skills. What is the upskilling? What have they managed to do? How have they managed to get access, working with local FE colleges and so on? If you go to Waltham Forest, you will see that not only is there a youth hub in Waltham Forest but the NHS also has its own room—it is fantastic and you should go to see it—where people can get medical training, nursing training. That is exactly what we want to see more of and me taking someone from another part where we have a real skills



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gap and getting them to see Waltham Forest, our network and the way that I manage our team plays to that supply and demand match.

- Q46 **Rushanara Ali:** It would be helpful to get some hard data on what trends you expect to see. I know you have dashboards and so on to look at that, but I mean collecting local data and what that looks like nationally so that we can see the impacts of the changes and the reforms that have been made.

I also want to come to careers services and contracts. That is another change in machinery of government. There are some concerns about the current advisers and bringing them in-house and concerns have been raised about smaller contractors. I am concerned that we do not lose the expertise and innovation and that bringing it in-house does not mean a loss of the expertise. What is your assessment of how that is going and what you are going to do to make sure that you are maintaining the expertise and the good work while making changes seem positive?

Sir Peter Schofield: Exactly. Barbara can say a bit more about how it is working out. I will just emphasise the point you have just made. There are two things we are trying to do here. I have sat with a number of careers advisers over the years and they are excellent. They often sit with us in jobcentres already, but what we want to do is integrate that service much more clearly into the way that we help people on that journey from coming into the DWP in the first place and getting into work and progressing in work beyond.

We are trying to on the one hand be able to make sure that people feel confident about coming across knowing that their skills will be valued in DWP but also doing this in a way that enables us to integrate the service. We do not want this to be through a contract. We want people to be part of DWP so we can work in a joined-up way.

- Q47 **Rushanara Ali:** How confident are you that you can make those changes over the next nine months?

Sir Peter Schofield: Barbara is having these conversations.

Barbara Bennett: It is very much a merger, very deliberately a merger. I want to be very clear. There are lessons and best practice from both sides. We have been very impressed with the careers advisers and how we professionalise that service and we have already started to integrate some of that learning into how we are delivering the coaching academy, for example, for the Jobs and Careers Service. I have deliberately put a senior leader into oversight on this.

As you quite rightly say, these are contracts. We have five prime providers so we are doing everything that we can to plan through meticulously. We will have a plan in the spring around that, but as well as protecting the relationship that the primes have with the subcontractors we are trying to do everything that we can. We have written to ERSA to



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ask for some help so that it can work with those organisations quite tactically.

We have also done things such as creating a video so that the primes can disseminate that down to the frontline teams to give that reassurance. We are making sure that we go through things line by line and making sure that we take all the learning that we have. Careers advisers are in places that we currently are not at the moment so there is an element of humbleness around bringing that in. There is a very practical, sensible plan that will be developed and launched in the spring, but there is also the people side and acknowledging the fact that understandably people are nervous.

From a commercial perspective, you cannot always guarantee that the same primes will be successful if you were to recontract and that they would then use the same voluntary organisations and SMEs, so there is that risk. We want to integrate the service, coming back to your point earlier. This is an end-to-end journey that we want to take people on. I do not want to keep referring people. I will take you to that person there and you go to that employer. As part of the Jobs and Careers Service we are totally integrating skills not as an optional thing but it is part of the up-front conversation that you have with someone, back to the point we have talked about, the right people in the right place with the right skills.

Q48 Rushanara Ali: I have one final point, which is in relation to organisations that are contracted that have deep expertise, whether in relation to disabilities or youth unemployment and so on. What are you going to do to make sure that the relationships and expertise that is there is not lost? We saw 10 or 15 years ago careers services dismantled and then having to rebuild. It is important to avoid making similar mistakes to the past.

Barbara Bennett: We are aware of the need to make sure that this service has the access to the best people at the right place at the right time. Those organisations are already delivering through local authorities. Some of those organisations are local authorities. It is about making sure that we—

Q49 Rushanara Ali: How systematically are you getting employers connected into jobcentres and working with careers services so that they can act alongside your coaches and careers advisers as employer mentors?

Chair: Very briefly, thank you.

Barbara Bennett: We have employer advisers and they are an integral part.

Q50 Rushanara Ali: From the world of work as opposed to recruited to do that?

Barbara Bennett: Yes, and their whole job is to bring in those organisations to make sure that they are filling the jobs in the locations.



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Don't forget most of our work coaches are our employer advisers. They live in the communities they serve. They want to be able to see people—

- Q51 **Rushanara Ali:** Sorry, I meant people who are in work and who want to engage, because we have seen good examples but one of the organisations in my own constituency got closed down. They were doing good work.

Sir Peter Schofield: The point I was going to make, building on the sentiment behind your question, is that we need to make sure that particularly in the education system young people are seeing the world of work and thinking about work as a pathway going forward and apprenticeships as part of that, alongside other pathways available to them. One brilliant one is having mentors from the business sector coming into schools and colleges. We see that all the time, but I think we can do more with our employment advisers who have access to the business community locally anyway.

Chair: I am so sorry, we will have to leave it there, otherwise we will not get through the questions that a lot of our colleagues have to ask.

- Q52 **Steve Darling:** I first wanted to alert colleagues because I know a couple are interested in question 12 as well. I am not going to touch the supplementary and I will go on a different angle. I also want to put on record that I have visited Jobcentre Plus in Torquay on a couple of occasions since becoming a Member of Parliament and I have been blown away by the compassion and caring that the staff has demonstrated to me and that clearly they must engage with the community across Torbay. I just wanted to get back to you on that.

Job coaches are one of the groups that I engaged with when I visited. In June you announced that there would be half the time for job coaches in the initial meetings with the people they are engaging with. What is the rationale behind that and what other changes are there for job coaches that will drive the positive change that we all want to see?

Sir Peter Schofield: I will pick up on that, Mr Darling, because we have discussed this at the Public Accounts Committee as well. I want to reassure you that where we do shorten our initial claimant commitment from 50 minutes to 30 minutes—and I have sat with work coaches who have been in that situation—if they have come to the end of the 30 minutes and said, “I need a bit longer”, we can normally find a way of accommodating more time where necessary. At the heart of this was trying to make sure that we are focusing the work—and our work coaches are amazing people, as you say, and thank you for saying what you said about the team in your constituency—on things that will add the most value.

We have done reviews on the things that they do at the moment. The traditional way of working is that we have a group of claimants in what is called the intensive work search group and we take them through the same process for everyone. For the first 13 weeks we meet them weekly,



beyond that it might be fortnightly, and we then refer people to separate provision. We want to be able to focus our work in a more tailored way so that the people who don't need the interaction with a work coach potentially, in due course, could be able to have an interaction with a digital tool that prompts them, freeing up our work coaches for the people who most need it.

That is in the long term but in the short term it is to free up resource to focus on people in the health journey in Universal Credit, who previously did not have any contact at all with work coaches and we are doing that within the intensive work search group. That is valuable. We felt that the extra 20 minutes on the claimant commitment was less valuable than the first 30 minutes.

On two other fronts, we see the claimants who have earnings less frequently because the studies show that that does not make a big difference. Also beyond the first 13 weeks, some claimants we were seeing weekly we will now largely see fortnightly. Those are changes that were made but it is really about using our work coaches in particular. The new thing we are doing is spending time with people with health conditions who previously did not have any work coach support at all.

Q53 Steve Darling: Thank you. My supplementary is about being trauma informed. Sir Peter, what trauma-informed training have you undertaken? I understand that work coach colleagues undertake a trauma-informed approach. What outcome is the "so what" question? What did you learn from it, assuming that hopefully you have undertaken trauma-informed training? What would a work coach be able to do differently or what skills would you expect them to have from that trauma-informed training?

Sir Peter Schofield: The thing I particularly picked up was about creating an environment in which people feel comfortable. We have a number of jobcentres where we are taking a new approach to the layout and support, trying to make sure there are areas where skilled work coaches can take people who need it to a different environment and different types of support where they can feel more comfortable about that. It is how we engage in that way and having that at the heart of what we are doing as part of the service. That then plays out in the different ways that we support people in different situations.

Barbara Bennett: It is about being able to have the right conversation with the person who is in front of you. Work coaches, as you have observed—and thanks for your feedback. It is a difficult role; you never know who will be in front of you. There are things like the trauma-informed approach, the renewal that we have done on the customer additional needs framework, the update of the six-point plan, the work that we do with our independent case examiner to constantly keep on learning. We have been talking a lot today about tone and culture and it is having our teams put through the trauma-informed approach and making sure that they are listening to people when they come in and that they can pick it up.



We deliberately do things like "Ask for ANI" where we make sure that if someone comes in who is a victim of domestic abuse, they are able to be supported. We need to make sure that our work coaches have that. Our customers have such vulnerabilities that we need to support them with. It is about tone, listening and constant improving. It is making sure that we are bringing the right people into the organisation all the way through the employee life cycle from who we bring in, how we train, how we retain, how we continuously improve.

You are quite right that we have brought in the trauma-informed approach, but that is just one of the suite of support that we give to our work coaches, as well as time. If they have had a difficult conversation with somebody, how do we give them time out? It is all the way through those things. We have to constantly evolve and improve to be able to support the customers and the needs that we see in front of us.

Q54 Johanna Baxter: As we speak, you are in dispute with the largest trade union representing the workforce in the DWP. The PCS union is balloting its members on strike action over the 2025-26 pay offer. As a trade union official for 25 years before I entered this place, I spent all that time in negotiations. If you end up in an industrial dispute, it is a failure of the negotiating process. I will come on to how we got here and what you are going to do about it in a second, but if that strike action goes ahead, how will you avoid disruptions to the services that your Department provides for millions of vulnerable people across this country?

Sir Peter Schofield: Like you, I really do not want us to get into this situation. I value our relationship with the trade unions hugely. I think they play an important role in flagging up issues that may not come up through the line and being very supportive to colleagues all across the Department. Many members of DWP are members of trade unions.

We have methods of working around disruption in whatever form but particularly because of industrial action. We put in place contingency arrangements. It would obviously depend on the nature of the action that is taken as to what the arrangements are, but we have response teams that are ready to go and we have ways of escalating whatever needs to be done in the way that we need to. We have those contingency plans in place, but it would depend on the situation.

I regret where we have got to with the PCS. It relates to pay and goes back to the situation with the pay agreement that we have. I remind the Committee that the pay agreement we were working through in the year we are talking about was 3.25% and the opportunity to spend an additional 0.5% particularly focused on colleagues on lower pay or where there were workforce issues. For our lowest paid workers, we did more than that. For our AOs there was a 4.1% settlement. For EOs we did the full amount, 3.75%. We are restricted with the arithmetic in what we are able to do given the scale of the number of people in DWP who are in those lower grades, which makes it different from any other Government Department.



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Q55 Johanna Baxter: Let's talk about that, but I would be interested to know if you are putting in place contingency arrangements in the likelihood that the strike takes place. My understanding is the indicative ballot indicated that 80% were in favour of some form of action. Very quickly, are you putting in place contingency arrangements now?

Sir Peter Schofield: We have contingency plans already that are well developed for a range of scenarios. We do that because of the risk of disruption for all sorts of reasons. We have a range of plans that we are ready to apply as necessary. The ballot has only just started. It runs through to the end of February and I hope that colleagues feel that this is not the right response because of the nature of what we have been able to offer, but we will need to see what comes out of that ballot.

Q56 Johanna Baxter: On the Department having a different composition in the workforce than other Government Departments, the profile is different: 63% of DWP staff are women compared to 56% across the wider civil service; 47% of DWP staff are 50-plus in age compared to 37% across the wider civil service; 76% of DWP staff are executive officer grades or below compared to civil service average of 49%. You clearly have a very different workforce profile, so why did you not apply to the Treasury for an exceptional business case for additional funding?

Sir Peter Schofield: Well, because the Treasury is very clear that a business case has to basically fund itself. You have to find a way of funding that through a reduction in the workforce elsewhere, and we do not have those plans yet to be able to make that commitment.

Q57 Johanna Baxter: Did you make any representations to the Treasury on this matter, specifically on pay for your workforce, given that the vast majority of them are in lower-paid roles?

Sir Peter Schofield: We have the constant in the run-up to the remit. I am not going to go into the details of the conversations that we have but we do. I will make two points. One is to restate the point you have just made, Ms Baxter, about the fact that within any remit, the 0.5% spread across the low paid gives less because there are more people in the lower grades than other Government Departments. The other thing is that you also have to look at the levels that people are at already. Our pay in those grades compares very favourably already with many other Government Departments.

Q58 Johanna Baxter: That is an interesting point, because DWP is falling behind other Government Departments according to the information that I have seen. On pay awards elsewhere, in the Department for Education AOs was up 7.88%, in the Ministry of Justice it was up 5.6% for AOs, 5.7% for AOs in HMRC and 4% for AOs and EOs. By comparison, in 2024-25 the DWP decided to increase the pay for the more senior grades by 6% when the most junior grades got a lower award of between 4% and 5.5%. Why are you favouring higher increases for the higher paid?



Sir Peter Schofield: First of all, those comparisons are not particularly equivalent. The Department for Education is a very different mix. Secondly, when you say that we are falling behind, many of the numbers might be catching up but we do pay at a favourable level. There were some anomalies elsewhere in the system that meant that for some higher grades, particularly specialist grades, we made the decision that for recruitment reasons or for pay anomaly reasons we needed to do some targeting, but that is not the case for people at every grade. The senior civil service was lower than that. I could write to you, if you like, with the full story on the pay structure if that would be helpful.

The problem is that we can pick on different statistics. I just want to reassure you, with the money that we had available we did as much as we possibly could for the lower grades and that is the care that we take for all this. We had some other anomalies to address but, as I say, the remit is 3.25% plus 0.5%. For EOs we did 3.75% and for AOs we did 4.1%. We have done more for the lower grades, but the arithmetic is difficult when you have the structure that we are talking about.

Q59 **Johanna Baxter:** I am conscious of time, so my last point is that I urge you to reopen the negotiations with those trade unions because industrial action would have a catastrophic effect on claimants. In a recent survey of the DWP workforce, 20% of respondents suggested that they were claiming in-work benefits themselves and 14% were using food banks for extra support just to get by. I think you need the case for additional representations to the Treasury for support, so I will leave it there and welcome anything you can provide in writing.

Sir Peter Schofield: The other thing to say is that we also have a benefit system that enables people to get access to vouchers for cheaper grocery bills. That is open to everyone with Tesco and Sainsbury's with the awards—I can't remember what it is called now, similar to the NHS blue light system as well. There are other sources of support for people, too. I take the feedback from the Committee.

Q60 **Lee Barron:** I will keep it brief but to justify low pay on the basis that you can give your workers vouchers? I think you should reflect on that, if I am honest. If we are happy and content as a Department that we can give working people vouchers to survive, I think that you should reflect on that.

Sir Peter Schofield: Sorry, vouchers is the wrong word. I will take that back. That is the wrong word. It is access to discounts from retailers. It is something that many employers give. I was just adding that to the point that was made, but I take your point.

I want to pay my people as much as I can. Hopefully the value that I put on particularly my frontline people has come across in this hearing. They do an amazing job. I have to operate within the framework that I operate in and I have put all the money, the 0.5% for those grades, into each of those grades and have done more on the lowest grade. I have a different



structure from other Government Departments that can take money from other grades because they have more people in that situation there. I hope that our people reflect on the opportunities they have in DWP and feel that they do not need to take industrial action, but I do value the work of our trade unions and they will obviously respond to what we have. Sorry, it is discounts, not vouchers.

Lee Barron: Okay. I will just leave it on the comment that has been made. There is one way to resolve a dispute and it is about sitting around a table talking. I will suggest that the Department does that and tries to avoid the ballot, tries to avoid the strike and tries to avoid the dispute.

Q61 **Amanda Hack:** I am very conscious of time so I will keep my section brief. I have also been to my local jobcentre and one of the things I can see on the ground is the engagement between our local jobcentre and other colleagues such as my local college. As we have had Government changes that will require DWP to work more closely with the Department for Education, what have you learnt from your experience of working across other Government Departments? How will you ensure that the work is effective and focused on outcomes of more people being able to secure good quality jobs, utilising the skills function that we now have in our toolkit?

Sir Peter Schofield: The operational number as a result of the national—Barbara might want to talk about the local. At the national, the key thing is making sure that we have the jobs coming into the economy in the first place, working across with other Government Departments on the growth agenda, the industrial strategy. You will have seen, as I say, the sector strategy is £1 billion going into those significant sectors that really matter from an industrial strategy point of view. That means creating training opportunities within those sectors.

Building on that, where Government are spending significant amounts of money—investing more in defence, for example—how do we make sure that that money goes through into building capacity within the UK that then creates job opportunities for UK people? It starts with creating the job opportunities and using the growth agenda and the industrial strategy to help to do that and to make sure that we are targeting our efforts in a way that supports people into those roles. I sit on various groups with other Government Departments. Seeing that co-ordination is the first point.

Then within the skills area, as you say we are working closely with the Department for Education. You will see that the skills White Paper is authored by three Secretaries of State: three Departments working together to make sure that the skills system works through education, further education into higher education and into higher-level skills and research, so that is working bringing the right levels of skills that people need into the economy.



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We need to build from that to make sure we have the right qualifications and the right levels coming out. You will have seen some of the things announced for apprenticeships with more shorter courses, more courses for young people rather than higher-level skills that might be funded elsewhere by employers.

A range of different things is going on, all trying to come together around creating the jobs and the support for people, individuals.

Barbara Bennett: What happens nationally plays out locally. As some practical examples, we have work coaches in the probation offices in Coalville, Loughborough and Leicester. We have four work coaches in Berwyn prison and so on. We also have armed forces champions working with the Ministry of Defence. That is very much localised where there is a large MOD footprint, for example. We work tirelessly with our Department of Health colleagues. For example, in Wales we have work coaches in GP practices, so it really is bringing that whole-system approach to life individually, especially tailored to the nuances within the area.

It is also worth pointing out our work with devolved Administrations. We talk about local authorities, but it is really important that we respect and work very closely with people in the Scottish Government and the Welsh Government. We have deliberate teams that work tirelessly to make sure that we have those relationships. It is national and local, but hopefully those examples give you an idea of the things that are happening on the ground, especially maybe in your area.

Q62 **Mr Peter Bedford:** The National Infrastructure and Service Transformation Authority, another quango I had not heard of before, rated the Synergy programme as “red”, which means it is off track. I am keen to know what you are going to do to bring it back on track because clearly we need to ensure that public money is being spent as efficiently as possible and that you are delivering frontline services. By ensuring you have a more efficient back office, you can do that. What are you doing to bring it back on track?

Sir Peter Schofield: It is really important. The Synergy programme went red in the autumn of 2024, so I changed the leadership and brought in a different team, who have been working tirelessly to turn that round and get the programme operating effectively. It is a complex programme because it brings together four of the largest Government Departments’ back office systems for things like finance, procurement, HR, payroll. It will account for about 290,000 colleagues, maybe not quite that but it is about half the civil service. It is us, Ministry of Justice, DEFRA and the Home Office. That team has done a great job. It has delivered on some of the key milestones of bringing in a technology partner, an integrator partner.

Mr Peter Bedford: What are you doing specifically to bring it back on track?



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Sir Peter Schofield: You prevented me telling you the whole story; I didn't get to the punchline.

Mr Peter Bedford: I am conscious of time but I would not want to miss out on the answer.

Sir Peter Schofield: The good news is that it is now amber and it is on track. Moving forward, the key milestones are being hit. We have made progress in appointing a business process supplier, service provider, so that programme is on track. You should keep holding me to account on it because it is difficult and complex when you have four Government Departments working together. The NAO has done some work on shared services across government more broadly. We are one of a number of clusters but we are the biggest cluster and the most complex one as a result. I am with you.

I think that DWP is the first part of the onboarding in 2027. Catherine might want to say a bit more about this. It goes to the heart of your question. How do we make sure we make the most of it in driving efficiency and standardisation? There is great work going on in the finance community to do that. I do not know if we have time for Catherine to do a couple of minutes on that.

Chair: No, we haven't. I am sorry.

Mr Peter Bedford: We will raise it again next time.

Sir Peter Schofield: But it is amber.

Q63 **Johanna Baxter:** I will be brief. When will the pensions dashboards become available to the public?

Sir Peter Schofield: We have talked about that in this Committee before. We put it into a reset in 2023 and again brought in a new leadership team and have made good progress. The latest statistic is that they have now connected up something like 60 million records, so that is 75% of the records that need to be connected up. There is a deadline of completing that process by 31 October this year. Alongside the 60 million records, we have also connected up the State Pension records, so the vast bulk of the records are already there. I take great confidence in the progress that is being made.

I remember the conversation we had before because I think you were challenging me on, alongside that, the user interface. One of the things that we are also doing alongside the connection, what I often call the plumbing, is making sure that we are testing how the pension dashboard will be used by members of the public and the industry. That work started with industry groups to make sure that the data comes through in a format that can be drawn together.

The plan is that the MoneyHelper dashboard will be ready to go when we are confident that the plumbing works and we understand the user



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journey so we can make sure that, as people get the information about their pension, they might be channelled and signposted to guidance and support for what to do with the information. We need to make sure that that works.

We have said we will give six months' notice of the MoneyHelper dashboard being ready, so it will be six months away I suppose is a way of interpreting my answer. We have confidence that the work is going well because we have already connected up so many of the records.

Q64 Chair: Thank you very much. I just have a few questions. You may want to write to me on this, but on your response to Steve Darling about the cases that you are looking at for overpayment of Carer's Allowance, the DWP did not accept that allowable expenses overpayments as identified in the Sayce review were relevant for acceptable overpayment.

Sir Peter Schofield: No, it wasn't that. It was more she was really keen for us to be quite prescriptive about the guidance and that people wanted to know exactly what costs were covered. The problem, as we thought about that, is it is not like HMRC business expenses where you can be pretty clear what they are. This covers things like care expenses as well.

At the moment, the guidance gives a lot of discretion to decision makers to allow a wide range of different expenses to be covered. We do not want to inadvertently cut out the expenses already being allowed for in the system. She said there is a group of carers who wanted real clarity but the risk of clarity is you narrow something rather than keeping it wide, so that is the debate we are having and trying to work through.

Q65 Chair: Okay, but the risk is also that there will be continual overpayment of this on allowable expenses if there is such a diverse view with different assessors.

Sir Peter Schofield: It is a fair challenge. This is not the final answer by any means. Absolutely we need to reflect on this, but it is how to keep the breadth while still giving the clarity.

Q66 Chair: That is fair but could you write to me on that? It was left as a question mark. I want to briefly follow on from this on carers. Thinking about our safeguarding responsibilities and what has been accepted by the Department, there needs to be more of a system-wide approach and that includes all policies—I will be brief—considering the impact of safeguarding.

I note from the IPRs for this year that there were four cases of carers that were included for the IPRs. How are you going to ensure that with the impact on carers' mental health, providing such a key role for all this, they are safeguarded?

Sir Peter Schofield: The Secretary of State gave a statement after we were both here in the hearing on 8 December setting out the steps we



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are taking on safeguarding with a five-year step-by-step review. It starts with training, making sure that our people are fully trained.

Q67 **Chair:** It is not mandatory at the moment, is it?

Sir Peter Schofield: It is not mandatory at the moment.

Q68 **Chair:** Have you undertaken it?

Sir Peter Schofield: Yes.

Q69 **Chair:** Very good. It is very impressive to hear that. What will you be looking for in the skillset that you expect to be developed that will ultimately address the cultural issues that we have been talking about today in the Department, so that safeguarding is central to everything the Department does?

Sir Peter Schofield: Safeguarding is all about how we recognise where there is some risk of harm or neglect or something related to that and how we make sure that we know how to recognise that and then what to do about it.

Q70 **Chair:** But, Peter, it is beyond that, isn't it? It is looking at how our policies and how we deliver those policies will make a vulnerable person even worse or potentially make a non-vulnerable person vulnerable.

Sir Peter Schofield: It is at the heart of what we have done. One of the things that the Secretary of State announced on 8 December is producing a strategy document, a safeguarding policy framework during the course of this year. You have heard the intent, you have heard the training, you have heard the focus. What we are talking about is a system-wide approach so that it is embedded in the culture and that is what we are developing over the course of the year. We are committed to producing that by December.

It is part of a journey and you have been with me on the journey all the way, I feel. It is not just about safeguarding. It is about complex needs and the annual report and accounts, so it is more and more about what we are doing. I am changing the culture bit by bit. This is another step. The next step you will see is the safeguarding policy framework by the end of the year, but it is part of a journey that I feel we have been on together over the years.

Q71 **Chair:** I am grateful to you for that and I recognise the changes that have been made. Could you write to me about the skills you expect to see, particularly from the senior management team, for the safeguarding approach?

There is another point that you could also write to me on, and that is on PIP, following on from a question that John asked. DWP previously said it would process 20% of PIP claims online by 2026, 20% by this year, but that has been pushed back to 2029. Could you write to me about the reasons for that and how we can get that more on track?



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Sir Peter Schofield: The key thing is that this is about taking the postal journey out of the process. The point I want to get across, and I did say this to the Public Accounts Committee on 4 December but I did not make it—

Chair: You have not said it to us.

Sir Peter Schofield: No. I will say it to you now in the 30 seconds or 15 seconds I have. Already virtually anyone, unless they are an appointee, when they phone up to make their PIP claim can ask to go on the online journey, so they can then immediately benefit on the online journey. That is now. That is here in 2026 and it applies to about 90% of customers. They have to make their phone call but after that phone call they can be on the online journey and avoid all the delays of the post. They can go through the form in a methodical way, not having to answer questions that are not related to them.

Q72 **Chair:** Getting back to my question, you have the change of 20% of PIP claims that you said originally was going to be completed by 2026 and that has been pushed back. Why is that?

Sir Peter Schofield: It is confusing two things. Already it is now 90% with the online journey. By 2029 we get to the point where we are able to move out of the existing contracts and do the whole case management in a completely different way. The 20% relates to the transformation of the whole journey of PIP with case managers in the way I have described. We will get to 20% of those by 2028 but there is a limit to how much we can change the entire system under the existing contracts. It is limited to 20% and that is 2029, but on the online journey 8% can use it now from gov.uk but 90% can use it once they just make a simple telephone call—they can all go on the online journey.

We have found where we have had the online journey from end to end from gov.uk through, it takes 20 days on average out of the processing time. That would get us down towards the metrics that we have been aiming for in the conversations with the Public Accounts Committee. Sorry, there are lots of numbers but I want to reassure you that progress is being made and customers can use the system already.

Chair: We will conclude the session now and I am sorry to have overrun.