HOUSE OF COMMONS

# Public Accounts Committee

## Oral evidence: DWP Employment Support, HC 1295

Thursday 17 June 2021

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Watch the meeting

Members present: Meg Hillier; Shaun Bailey; Sir Geoffrey Clifton-Brown; Peter Grant; Craig Mackinlay; James Wild.

Gareth Davies, Comptroller and Auditor General; Joshua Reddaway, Director, National Audit Office; and Marius Gallaher, Alternate Treasury Officer of Accounts, HM Treasury, were in attendance.

Questions 1-98

### Witnesses

I: Peter Schofield, Permanent Secretary, Department for Work and Pensions; Jonathan Mills, Director General for Labour Market Policy and Implementation, DWP; and Margarita Morrison, Director, Work and Health Services, DWP.

House of Commons

Report By The Comptroller And Auditor General

Employment Support (HC 291)

# Examination of Witnesses

Witnesses: Jonathan Mills, Margarita Morrison and Peter Schofield.

**Chair:** Welcome to the Public Accounts Committee on Thursday 17 June 2021. We have witnesses from the Department for Work and Pensions, and will be asking them about the return-to-work schemes and support for people who have been unemployed as a result of covid.

The UK labour market has been significantly impacted, and with furlough coming to an end, we risk potential future challenges. The DWP has been at the forefront of rolling out some of the programmes to try to support people, including Restart and Kickstart. But not everyone is affected equally; one of the issues we want to get to grips with is what information the Department is gathering to avoid scarring, which is a term for people who will lose out over generations if they lose out now—particularly young people and, according to some evidence, Black, African and minority ethnic people.

I am delighted to welcome our witnesses, two of whom are here with us in the room, which is very exciting in the current situation. Peter Schofield is the permanent secretary at the Department for Work and Pensions—welcome to you, Mr Schofield. Jonathan Mills is the director general for labour market policy and implementation at the DWP. We welcome Margarita Morrison, the director for work and health services at the DWP, who is joining us online through Zoom. Thank you all for coming.

Q1 I want to kick off with the witnesses in the room, perhaps with Mr Schofield, but feel free to deflect to Mr Mills if necessary. At the early stage of the pandemic, you were trying to work out what the pattern of employment was going to be and the impact on the unemployment rate. Has it been what you expected?

***Peter Schofield:*** Thank you, Chair. The report sets out that one of the things we have seen is the OBR forecasts of unemployment shifting at every major fiscal event. This time last year we were looking at peaks of around 11%, if I remember rightly from the report. That number has shifted to the right, so we are now looking at a peak in the latest forecast in the fourth quarter of this calendar year of something like 6.5%. Basically, two things have happened: the peak has shifted to the right and, happily, the peak looks to be lower.

Of course, we were basing our plan for jobs on the numbers that we had at the time, and we moved very quickly. One of things we did as a leadership team—I can't remember if I have shared this with the Committee before—is that, at the point where we were facing huge increases in claims for universal credit in March to May last year, I deliberately split the leadership team a little bit, to have a team who were focusing on paying the claims and a team led by Jonathan, who was responsible for developing our input into the plan for jobs.

A lot of work was going on during that quite frenetic period, looking at what we had done in the past, what had worked, as the report sets out, and developing our input into the plan for jobs that the Chancellor announced. Broadly speaking, we thought we needed to operate more quickly than probably we needed to, to be fair, to get schemes in place. We thought that it would be a bigger scale than so far it has proved to be, I am very glad to say.

Q2 **Chair:** I should explain that, as well as the National Audit Office Report, there has been a recent statistical publication in the normal cycle—it is not new data for the sake of it—from the DWP on these issues. It is interesting to note that the total vacancies count in the NAO Report is 622,000, but the information that has just come out through the national statistics up to 21 May is 758,000. Could one of you can explain whether you think they are new jobs being created? What is the nature of those vacancies?

***Peter Schofield:*** On one level it is hard to say. As you say, those numbers are right back up—the 758,000 is the average for the quarter, I think Sam Beckett at the ONS is quoted as saying that more recent data suggested that vacancies were broadly up to where they were pre-pandemic, which would be above 800,000. That would be great to see. We are seeing more jobs coming back into hospitality. We are massively raising our game on supporting jobs into the hospitality sector—we can say a bit more about that if you like.

We are still seeing London bearing the brunt, in terms of areas having the highest level of unemployment. That is one of the challenges that we are looking at. Obviously, there are pockets of areas where we are still seeing quite high levels of unemployment and the vacancies are not coming through.

Q3 **Chair:** What would you highlight as a particular reason? We can probably guess some, but what does your analysis show as the reasons for the London employment rate?

***Peter Schofield:*** A lot of it is in types of hospitality. Our normal pattern of work is different: those of us who were used to commuting into London regularly are not so much; therefore, a lot of the hospitality that relies on that has been unable to recruit. But tourism and hospitality in other parts of the country seem to be picking up quite dramatically.

Q4 **Chair:** One of the challenges is about the data that you collect. I do not know which one of you wants to answer this: are you now getting the data that you need? Where do you think there are still gaps in information?

***Peter Schofield:*** I'll bring Jonathan in a second, if you like. One of the difficulties that the Report brings out is the difference in numbers that we are seeing between, for example, the labour force survey and our own administrative data on things like the claimant count and claims in universal credit in the intensive work search group, and the payroll data that HMRC receives. Interestingly, our payroll data and our universal credit data have been broadly in step, until recent weeks, where they have fallen out of step a bit. The LFS—the labour force survey—has not shown such a big increase in unemployment over the period. There are issues around how they do their survey and the difficulties they had not being able to do face-to-face surveys. Jonathan, do you want to say a bit more about data and where we are?

***Jonathan Mills:*** As you say, Peter, survey data that we traditionally rely upon from ONS, the ONS itself has said has been a bit harder to produce during the pandemic, due to restrictions on face-to-face activity. Also, in some cases, there may be difficulties in how people might be classifying their own activity—whether they are temporarily away from work or unemployed. There have been some challenges on that side.

On the other side of the coin, in this downturn, we have been able to make much more use of real-time information data from HMRC than has been the case previously. The ONS itself has been reporting that data on an experimental basis, which gives us much more timely data than we would otherwise have. It has some caveats around it in terms of interpretation, but we have been able to use that data and, indeed, the data from our own universal credit system, in a much more rapid way than previously. It is a bit of a mixed picture in terms of what has been better and worse in data availability.

Q5 **Chair:** On furlough, HMRC has told us it is relying on employers to provide a lot of information, especially large employers, en masse, about the number of employees furloughed. When you see real-time information data, are you able to differentiate between people who are furloughed and people who are still working?

***Jonathan Mills:*** Obviously, we work with HMRC, which is the owner and producer of the real-time information. It provides that data for us for administrative reasons for the universal credit system, because we need to administer universal credit. Also, we have been working with HMRC on strategic options development, in terms of both overall payroll data that are published—in the labour market stats this week you will have seen the aggregate payroll data there—and more detailed information about the furlough population, which HMRC has been able to share with us to help us prepare our unemployment scheme responses. We have been having those conversations with them on both fronts.

Q6 **Chair:** We have an extension to some of the lockdown restrictions, but some of the support for businesses is disappearing. Other businesses, over time, have let people go from furlough, so there is an issue about different sectors where furlough may not be possible, because that sector or that business does not think it will survive. What kind of granularity can you get to prepare your work coaches and your planning? People whose jobs may not survive through the next stage could create an extra wave of potential claimants. Do you have an idea of which sectors? What support are you providing to make sure that you can catch those people?

***Peter Schofield:*** There is quite a lot of contact with BEIS more broadly. A key part of our work is working with employers locally. We have a rapid response team that works through the jobcentre network to put the resource and support into those places where we are worried about a major employer shedding employment.

Q7 **Chair:** Is that your local intelligence on the ground? Talk us through, step by step, what will happen if an employer in Cirencester, in Sir Geoffrey's constituency, or in Hackney, in my constituency, knew that they were going to go under and make people redundant? How do you find out about that and what do you do?

***Peter Schofield:*** It completely varies, to be honest. You will have those big, significant cases that are very commercially confidential, where we will be involved in a very tight loop. That will be through BEIS and conversations that they are having.

**Chair:** When you're gearing up, maybe even the employees don't know.

***Peter Schofield:*** Absolutely, sadly. Those would be quite significant situations. More broadly, what normally happens is that we build on the relationship on the ground, maybe with local authorities or maybe directly with the employer, and then the local leadership, if they need support from the rapid response team, would get that through the jobcentre network more broadly.

Q8 **Chair:** Are you planning for a wave of further redundancies that will increase your workload?

***Peter Schofield:*** As you can imagine, we have been developing our business continuity plans further. As I have shared with the Committee before, those plans were pulled with a very big lever and very sharply in March last year, so we know that they work, but we have been building on them to build their robustness. We have done a number of things to make our plans more robust. One is obviously that we have been recruiting more people into the Department, including 13,500 more work coaches. Actually, our work coach resource at the point when claims were coming in in large numbers was absolutely vital, because our jobcentres became almost mini processing centres. We have doubled the number of work coaches, or at least we will do very shortly.

Secondly, we have built our resilience to enable colleagues to work from home. I am often asked what I would have done differently in the run-up to the pandemic. One thing I would have done is made sure that we were able to operate our services much more broadly with staff working remotely. We did not have the IT, but we now do, so we are ready to be much more resilient on that front. My hope is obviously that we do not see another wave of claims coming, but were there to be one, I would hope that we could manage that without causing an increase in backlogs in other service lines.

Q9 **Chair:** You talk about a potential further wave. What would trigger additional support to what you are doing now? Is there a certain number at which you will want to recruit more work coaches, change the pattern, look at a different type of support scheme—do you have any plans along those lines?

***Peter Schofield:*** The first thing that happens if there is a wave of new claims is that we have to process the claims, so that is about the speed at which we can pivot our resource into doing that. In the past, we have pulled back from some of the other activities that work coaches might do in order to support that process. I cannot say that there is a number when we would shift. We would gradually move back if we needed to, depending on what happens to the number of claims. What we saw in March last year was a very dramatic change. There were days when we had more than 100,000 claims in a single day, so that caused a massive shift, but I am not anticipating anything like that.

Q10 **Chair:** Obviously, the road map is a map; nothing is set in stone. Certain industries, such as the travel and tourism sector, are still particularly badly hit and may well be for some time. Are you having any discussions about any tailored support packages? We know, for example, that many of the self-employed, who are excluded and do not get any support from HMRC, will be looking for work. They are an interesting category because they have been self-employed, which some employers may not like. Do you have any plans or thoughts on how you will tailor support for some of those specific groups?

***Peter Schofield:*** I think we have all the right tools and support mechanisms that we need, certainly through DWP. The real advantage of our model is the local element to it, and the flexibility for work coaches to draw on the tools we have to provide support to individuals as they need it, particularly in terms of helping them find work. The big focus for us, and the big difference, compared with where we were last year, is doubling the number of work coaches, because that builds that local capacity that we need to deliver the model, and we can then draw down on the tools. As you said earlier, Chair, the Report sets out all the different tools that are available, but it is about applying those to the individual circumstances of the claimant.

***Jonathan Mills:*** You asked at the beginning about how the circumstances had played out compared with what we expected. One of the things that the NAO Report helpfully points out is that, unusually, in this downturn, we have had the opportunity to get our employment schemes up and running well ahead of the point where the sorts of impacts that you talk about hit. We were constructing the plan for jobs on the basis of the OBR forecast of an earlier spike in unemployment. If you look at the history of other downturns in the UK, usually, we are getting employment support schemes in place at the time that unemployment has already risen to very elevated levels. Actually, we have had the opportunity this time round, as the Report notes, to get the schemes up and running in advance, so were there to be further adverse impacts, we would be in a slightly better position than perhaps we have been in some of those previous downturns.

Q11 **Sir Geoffrey Clifton-Brown:** Mr Schofield, I wonder whether I may ask you a question. This is absolutely at the sharp end, but a travel agent in my constituency said to me the other day, "It's all very well the Government, and increasingly me, paying my employees on furlough, but because I've not been able to do any business, when furlough ends I'm likely to have to make a substantial number of staff redundant." Are you anticipating that when furlough ends, there will be a spike in long-term claimants?

***Peter Schofield:*** That is a good question, Sir Geoffrey. The OBR forecasts suggest an increase in claims—in unemployment—as the furlough scheme comes to an end, so that 6.5% in the fourth quarter I mentioned earlier comes after the end of furlough at the end of September. Our demand models are based on the OBR forecasts, and we are ready for that. I have looked at the numbers carefully in terms of things like how many work coaches we have in different parts of the country and what that would mean in terms of the case load that they would have under different demand scenarios, and we are in a good place to be able to respond, but obviously, everything we are doing is to avoid that happening.

Q12 **Sir Geoffrey Clifton-Brown:** Obviously, I represent a significant tourism and hospitality sector. Do you have any plans in place to give any special help and guidance to employees in those sectors?

***Peter Schofield:*** Yes, we are working very closely with UK Hospitality. We have actually created a taskforce to work with them, particularly to help fill a lot of the vacancies that are coming through. Margarita might want to say a little bit about some of the work we are doing with them. One of the other aspects is working to create Sector Based Work Academy Programmes, particularly focused on the hospitality sector. Margarita, I do not know whether you want to add anything on that.

***Margarita Morrison:*** Yes, thanks Peter. The area directors across the UK—there are seven of us—are having seven regional events on hospitality. We are currently also, in Scotland, between 7 and 18 June, having hospitality campaigns. We have done podcasts and we are talking to a lot of significant employers across the area—each area director is doing that—so that we can target the vacancies that are there but also look to see what might be available coming forward in the light of, as we mentioned, the travel industry, to get ready for that. We are definitely focusing in on hospitality, as I say, in the light of the increase in jobs and the fact that we need to make sure that we are ready for those new vacancies coming forward.

Q13 **Sir Geoffrey Clifton-Brown:** Chair, may I follow up one of your questions on data to Mr Mills? Mr Mills, you mentioned the ONS taking data from HMRC PAYE payroll, and we have heard in earlier hearings that HMRC are going to get better data as Making Tax Digital goes on. They will have better data themselves, so presumably that means the ONS will have better data and you will have better data as a Department. Does that better data enable you to tailor your schemes more precisely and in a more timely way?

***Jonathan Mills:*** Certainly, what we have seen already is that the RTI data, which give us payroll information faster than we are able to get from the survey data, have enabled us to have a better sense of the trends in the labour market at an aggregate level and, to some extent, at a sectoral level. That is a work in progress for HMRC, and those continuing improvements I am sure will help us more in the future, but we have seen some quite big benefits already, particularly in a context where, as the ONS itself says, the survey-based LFS is just a little bit less strong than it might be in normal times. Being able to triangulate between those two sources has been really important, as you said to begin with, Chair, in understanding the vacancy picture and understanding the extent to which we are seeing labour market growth in different sectors right now.

Q14 **Sir Geoffrey Clifton-Brown:** If, for example, and let us hope that it is not the case, you found that the Kickstart programme was not having quite the desired effect of getting youngsters into work—as the Chair says, they are one of the most starved groups—would that enable you, if you wanted to, in a timely way to just marginally adapt the Kickstart programme to make it more effective?

***Jonathan Mills:*** I think when we are looking to evaluate all our plan for job interventions, the data that we get through the real-time information system will be one of the key data sources that we use, because that gives us really good information on the outcomes that participants in schemes achieve.

**Sir Geoffrey Clifton-Brown:** Thank you.

Q15 **Chair:** We are all very concerned about that potential cliff edge with furlough, so we will come back to some of those more granular approaches to how you might support people. One of the very stark figures—I will refer to the latest statistical figures—where the numbers have dropped slightly, which is heartening, but the trends are still very clear, is that 16 to 24-year-olds and non-white ethnic groups are disproportionately hit, as are disabled people. We have seen from previous recessions that there is a scarring effect if a group of people, particularly an age cohort—that is where it is very obvious; you can see it go through generations—lose out now and then they never get back on track. In your view, Mr Schofield, why are these groups in particular facing higher unemployment rates? Perhaps you can go through them one by one. What understanding do you have of the particular needs that they have got? I will come to Ms Morrison in a moment as well.

***Peter Schofield:*** It is a very important point and, as you say, the figures are stark, aren't they? I think one of the biggest issues for young people is the fact that they are then potentially looking for work without work experience and without having a track record of doing things in the workplace. We designed Kickstart exactly on that basis, and the reason for getting that in place as quickly as we could was to avoid that risk of scarring, particularly young people coming out of education in July and September last year. It was a priority for us to get that up and running, and it goes alongside a number of other things as part of our overall youth offer, which is support for young people in a 13-week programme of support—which hopefully then leads to Kickstart, but it can lead to other things, such as apprenticeships and other types of training. There is bespoke support there.

We have also been creating youth hubs, with one in every jobcentre district, to enable us to bring together—working often with local authorities, actually—providers of different types of support, whether it be the FE college or employers. Obviously the jobcentre is part of that, as is the council, too. It is one place where people can come to and get that support.

There is a package of things that we are doing. Absolutely we can go into that in a bit more detail, but it is to address the risk that young people come into the labour market and do not find work quickly, and therefore they do not have the habit of work and they do not have the track record of employment. We wanted to avoid that. Kickstart is really there to do that.

Q16 **Chair:** That is the theory. Has Kickstart gone as well as you hoped? How many people have now got on to Kickstart schemes?

***Peter Schofield:*** The latest starts number—I think we put a release out at the beginning of June—was 31,000, so it has gone up a bit since the numbers in the Report. Obviously we launched Kickstart at a point when—this goes back to what we were saying at the very beginning of this hearing—the furlough scheme was due to be ending last autumn, and we obviously were not anticipating the lockdowns that we saw through November and much of the calendar year 2021. Although we have got a very large number of jobs approved through the system, actually getting young people into those roles has been slower so far than we would have hoped, but the support is there.

There are other types of support that have been incredibly helpful—things like sector-based work academies, where the demand has been higher than we had anticipated and we have extended the scheme as a result. It goes back to what I was saying at the beginning: we have the right tools but we just need to tailor them for individuals, and we will be drawing down on the different schemes at different rates, no doubt.

Q17 **Chair:** My colleagues will come on to Kickstart in a bit more detail later. Figure 6 in the NAO's report—they are not the most up-to-date figures, but I do not have the granularity in the new figures—shows a very stark difference for Black, African, Caribbean and Black British young people at 16 to 24. Unemployment has gone up 17% to 41.6%—that is a very stark increase. For Pakistani groups, it has gone up 9% and for Indian, 14%, but those are still much lower figures than that 41%. Can we take the Black, African, Caribbean and Black British group? Why, and what are you trying to do? It is a tough time for everybody, but this group has been hit particularly hard. Why, and what are you doing about it?

***Peter Schofield:*** The figure is stark, isn't it? I couldn't agree more. There were different groups, different demographic groups, different ethnic groups and different communities in the same group. I know there are lots of different issues going on. I think you can generalise on some issues around aspiration, barriers and unconscious bias. There are all sorts of things going on. What we have done is identify, working with data from the race disparity unit, 20 parts of the country—

Q18 **Chair:** So the race disparity unit is in DWP.

***Peter Schofield:*** No, no. We have just drawn on data that they had available through their audit to identify 20 places where we have a combination of a high ethnic minority population in proportion terms and where the employment gap is greatest. With those 20 places, we have then taken targeted action. That includes a variety of things, such as work with jobcentres to make sure that they are properly equipped and work with employers to make sure that they understand the opportunities that there are to bring people in from different communities to address issues around unconscious bias. There is some really important work around mentoring circles, actually—I think they make a difference—where you work alongside young people and try to raise levels of aspiration and confidence and help with practical things like applying for jobs, CV-writing, that sort of thing. We have also been working with our suppliers to DWP, where we have some leverage over them as well, and really trying to connect people to those communities.

Q19 **Chair:** Is that list of 20 places in the public domain?

***Peter Schofield:*** It can be, if it is not.

Q20 **Chair:** I think MPs, the local authorities and others around the county would be very interested to know, because local authorities—we will come on to some of the work that they are doing—are sometimes working in these areas as well.

***Peter Schofield:*** Hackney is one of them.

Q21 **Chair:** I am glad to hear that, but I am also very worried that there is a whole generation that could be disproportionately disadvantaged, ostensibly by the colour of their skin. That would be a shocking indictment and a challenge for all of us in the future.

I want to turn to Margarita Morrison on the point about how jobcentres are equipped to use the national programme to work with particular groups. We have focused a lot on Black, African, Caribbean and Black British but there are other groups that are affected as well, like disabled people. I should stress to our witnesses that we have had some excellent evidence on disability issues, which we will come to later. Thank you to those who gave the evidence, but I urge you from the Department to look at that, because it gives you some useful pointers. Ms Morrison, what are the jobcentres doing, and have you got the tools you need at a local level to make sure that you really understand those disparate differences and have the skills in jobcentres to tackle the particular differential disadvantages?

***Margarita Morrison:*** I thought that I would bring to light some of the matters that Peter discussed there—if we look at Hackney, for example—

and I will come to what we are doing in jobcentres. In Hackney, we participate in the Hackney improving outcomes for young Black men steering group. This improves outcomes across a range of measures, including employment and skills outcomes. In Islington, we have been collaborating with Head Held High to support referrals to their signing off programme for 18-to-24 BME groups. In addition to the young people provision, we also have a BME programme for the over-50s. In Luton, we are looking at how we can effectively support the claimant group and close the employment rate gap in BAME customers using a test-and-learn approach. We are working with partners and colleagues in our sites to understand and identify challenges and barriers faced by our colleagues and our customers.

I have good news stories, if the Committee is keen to hear those. In the west and north-east midlands we have a women's community coordinator role. We are one of four national pilot sites for women's communities and BAME. Our work coaches liaise with local organisations to identify referrals for a small case load, and they are interacting with our UC customers and partners to identify suitable candidates that we can work with.

Q22 **Chair:** That is what you are doing, but are you measuring how successful those interventions are? I know about the programme in Hackney, which has been quite long-running and well-embedded. That might be a different level, and one would hope it would therefore give you more chance of success than perhaps an area where it is less well developed but there is still the same problem.

***Margarita Morrison:*** Yes, we are measuring the outcomes in Kickstart as part of the 31,000 you mentioned earlier. We are looking at the different types of people that are coming into work. When we do the evaluation further on, we will look at that in more detail. For the jobcentre staff we are doing training on cultural understanding so that our work coaches are better equipped when dealing with the difficult issues that people are facing. For employers, for example, we have started running events. If you look at Sheffield, we have explored what more we can do to reduce the ethnic minority employment gap. As Peter said, we are working with the main suppliers on raising awareness of unconscious bias and microaggressions that impact recruitment. There is a number of things across the UK to try to assist.

Q23 **Chair:** The data that you have on the breakdown of people by ethnic group is bread and butter to people like me in Hackney. Is that bread and butter to the DWP? Do you have the right data? If not, what are you doing to make sure you have? For example, on universal credit claims as a whole?

***Peter Schofield:*** It is a really good challenge. It was brought out in the Report and it was something I had been quite concerned about. The issue is that claimants have not typically been filling in that bit of the form and saying what their ethnic background is. Therefore, the rate at which people are disclosing their ethnic background has been around about 50%. We haven't therefore been able to use the data enough. When I discovered this, I had the team to work with users on what things could make a difference, such as how the form appears on the screen—quite basic stuff, to be honest. They have made some changes and the report sets out that we are now up to around 74% disclosure.

We are now at the point where we have got the data coming in, which gives us something to work on. I have encouraged the team about what to do with the data that we have, which is only 50% relevant, to see whether we can take account of non-response bias in our work. We are not in a great place, which is why I was really interested by the way the NAO brought out that statistic, which is really quite helpful. We are working on the ground in the way that Margarita described, but I am hoping that we will be able to develop better data that we can use from our own MI system in time.

Q24 **Chair:** Will you then also make sure you are recording that data through the system? It is all very well getting claimants, but you need to monitor the success rate and the failure rate, and see whether any in-built bias or problems arise. Is that part of the plan? It is a bit embarrassing that in 2021 we are still discussing race and ethnic disparities in employment, and the DWP—at the forefront of this for Government—does not have the information. How long will it take until you are actually living and breathing the issue more effectively?

***Peter Schofield:*** We live and breathe the issue.

**Chair:** It is about the effectiveness of that.

***Peter Schofield:*** I agree. From a data point of view, we are on it. The NAO Report sets out how we are doing that. I have told the team that I need to have that data to be able to use it for the evaluation and the real-time test and learn, in the way that you describe. That is absolutely something that we are on.

Q25 **Chair:** What will success look like?

***Peter Schofield:*** Success is, first of all, being able to target our work and, secondly, being able to evaluate our work so that we understand the impact that we are having, particularly on those groups that are most disadvantaged, and to enable us to tailor what we do in the way that Sir Geoffrey described. That is key to what we are trying to do.

**Chair:** We will come on to some of the other groups a little later on, but we are going to turn over to Sir Geoffrey Clifton-Brown now.

Q26 **Sir Geoffrey Clifton-Brown:** Mr Schofield, can I follow up on the questions that the Chair was asking about this figure on table 6—this 41.6% Black African, Caribbean, and Black British unemployment? That is an average, so presumably that means that in some areas, it could be a lot worse than that. Are these 20 special centres around England sufficient, or not?

***Peter Schofield:*** We think it covers about half of where the challenge is. It is a way of being able to target our effort to make as much of a difference with the resource that we have as we possibly can, but obviously, we will review the success in those areas and what more we can do. It is a very significant challenge. I mean, the data is a little bit old—I see that it is March 2021 data—and that may be changing as we see more vacancies come into the system, but the point remains that we need to make sure that all young people, particularly young people from Black and ethnic minority backgrounds, are able to access those vacancies as they come through. All the things that Margarita has described are very much what we are trying to do to make that happen.

Q27 **Sir Geoffrey Clifton-Brown:** Maybe you would wish to deflect this question to her, but you have said that 31,000 people have joined Kickstart, but there were 120,000 jobs advertised by employers. If 31,000 is the number of jobs started by young people, is that a satisfactory situation, or should we be aiming much higher?

***Peter Schofield:*** Yes, we should definitely be aiming much higher. The number of approved jobs that have come through and the number that are uploaded in the system is great: they are ready to go, and it is a testament to the skill of the team that we have got to that point, but we now need to fill those jobs. The things we have been doing and seeing as we try to do that are really interesting. One of the things we have noticed makes a big difference is bringing young people into jobcentres to enable us to see them and talk to them, rather than just talking to them over the phone.

Q28 **Sir Geoffrey Clifton-Brown:** Can I just stop you there? I was going to ask you a question on this. Throughout the pandemic, you have had to do a lot of your interviews by phone. You are now getting them in face to face. Does that mean that your coaches and others are able to operate more effectively and produce more effective results?

***Peter Schofield:*** I believe so. That is what they are telling me; we will see it when it comes through in the numbers. We started doing more face-to-face engagement from 12 April, at that stage in the road map in England. The dates in Wales and Scotland were slightly different, but we started doing that in England on 12 April, and we did see some increase in the rate of starts and the rate into Kickstart as a result of that.

We have been rapidly increasing the number of face-to-face engagements of young people in jobcentres week by week, but there have been a number of interesting things. The first is encouraging young people to set up an appointment to come into the jobcentre, and encouraging young people to actually take up the appointment. Many people have not been used to coming into jobcentres: if you think about the change in the make-up of universal credit over the last year, people have not been in the habit of coming into a jobcentre. It is a new thing for people, and it is a confidence question of stepping in through the door. Our wonderful work coaches are great at building a rapport, but you’ve got to get through that first of all.

You then have to get to the point where you are encouraging them to apply for a Kickstart start. One of the things that our work coaches have said is that with the system, they find it difficult to match people to jobs: we just give them a list of all the Kickstart opportunities in a local area—it comes out in the Report, actually—and it is just by distance, rather than by sector. We have now changed that: that is an update to what is in the Report. You can now search by sector, so it is easier now for the work coach to match a young person to a job of interest. Then you've got to encourage them to apply, then you've got to encourage the employer to interview, and then you've got to encourage that all to happen. Every stage of the process is a challenge for people, but we are working on it and we are working through, step by step, so those numbers will steadily build. There are so many great opportunities, as you say, and we want to fill them; we want to get that 31,000 number up.

**Chair:** On the business side of this, I am going to bring in Craig Mackinlay.

**Craig Mackinlay:** I have been working very closely with my DWP team, because I see Kickstart as really interesting, exciting and important.

Q29 In the early phase after September last year, you implemented these gateways. Smaller employers could not access it directly—they had to go via an intermediary. What was the thinking behind that? My experience is that the smaller employer just thought, "I don't know what this is all about; I don't really want to go through an intermediary." What was the thinking behind those gateways, Mr Schofield?

***Peter Schofield:*** I will bring Jonathan in, because he was part of helping to design it. It was built on our experience of the future jobs fund. We have adapted and changed the way that it works over time, in response to employer feedback.

***Jonathan Mills:*** We were very keen to get the Kickstart scheme running at real pace and to get running with a product that we could test and improve. We put the gateways in place as a way of ensuring that we could provide employability support, which sometimes for smaller employers is a bit difficult for them to scale. As Peter says, it was also building on the experience of the future jobs fund.

We have had some really good feedback from some of the gateways that have taken up the scheme. There has been some really good work with the British Chambers of Commerce, for example, but there has also been feedback, as Mr Mackinlay says, that there were quite a lot of small employers who did feel able to take this on without having the intermediary there. As you have noted, we have changed the rules around the entitlement to apply for the scheme. There is no longer a minimum requirement for the number of posts, so it is easier to apply without going through the intermediary.

That is one of the things we learned. We got the scheme up and running, we got that feedback, we were able to improve it, and I think we have a better product now.

Q30 **Craig Mackinlay:** Okay. I have taken a great interest in this and I am trying to run a forum for smaller employers with the DWP team. There seems to have been a lack of advertising. If you are a smaller employer and you are beavering away doing what you do, you won't have an advanced HR department and you may not be glued to the gov.uk website. There doesn't seem to have been real penetration into smaller employers about what this is all about. That is what I am trying to put right.

I am a little bit astounded that there is not even a printed leaflet, which I am now asking for, to send to local employers. It is a great scheme, which I think has got good legs, but I am not sure it is being advertised sufficiently. What are you thinking about doing to advertise it further?

***Jonathan Mills:*** That is useful feedback. Let's take away the point about printed leaflets. As Peter said, we have seen a lot of interest in the scheme. It is great to hear that there is more out there that is going untapped.

We have tried to phase this a little bit, because there certainly was a period earlier in the scheme when, as the lockdown restrictions were extended for longer, we did not want to be unrealistic in pushing to employers who might not be able to take up the scheme, but that is useful feedback to take on.

Q31 **Craig Mackinlay:** Looking at figure 7 in the NAO Report about the payrolled problems in different sectors of the economy, that is possibly now out of date. Automotive, particularly, is now surging quite well.

Are you trying to steer some of the Kickstart schemes in the sectors that have not really been affected or are doing reasonably well, such as construction, health, agriculture and finance? It seems to me that steering the right industries into an interest would be a good way forward.

***Jonathan Mills:*** We are keen to promote good-quality placements across the economy, but we have been working with some really good employers in growth sectors. There have been some great placements in digital. There has been some good work in construction. The key thing here is that we want the placements to be additional—not just substituting for jobs that are being created anyway, but giving new opportunities for employees and employers.

So we certainly have been working with some of those growth sectors. I wouldn't want to give the impression that meant we were not interested in other sectors as well, because there could be really good placements in other sectors, too.

**Chair:** For those who may be following, figure 7 in the National Audit Office's Report has the list of sectors and how they are affected, with arts and entertainment, accommodation and food services, and households way at the top. However, the latest ONS data, published on 15 June, has an update on that. That is figure 7 in the Report. Thank you, Mr Mackinlay, back to Sir Geoffrey Clifton-Brown.

**Craig Mackinlay:** I had one more, Chair.

**Chair:** Forgive me, Mr Mackinlay, I cut you off too soon. A quick question.

Q32 **Craig Mackinlay:** It is not on Kickstart—which highlights the big weave that we have created of different support mechanisms—but the new enterprise allowance for those seeking to go into self-employment. I would be very interested to know how much that has been taken up. I think I can guess—it is pretty skinny. Looking at the gov.uk website for the eligibility criteria: "You need to be receiving certain benefits"—that is a fairly binary choice, but then, and this is key—"and have a business idea that could work." Who is making that assessment and are they properly equipped to make those assessments?

***Peter Schofield:*** On the first question, on take-up, Appendix Two in the NAO Report has some of the latest numbers on all the schemes, including the NEA. It is a well-established scheme in which a business adviser works alongside claimants who want to start a business. Obviously, this is not necessarily the easiest time to do that, but it is a scheme that works well. We are happy to take further feedback on it, but it is a key way of helping universal credit and JSA claimants to start a new job.

Q33 **Craig Mackinlay:** I am very familiar with what it is trying to do. I can see the figures now—sorry, I had not spotted them—but 1,500 per month is not a great number. Who makes the abstract assessment of "a business idea that could work"? Are work coaches up to that? Do they have the skills?

***Peter Schofield:*** Yes, we have very experienced advisers who make those decisions.

Q34 **Chair:** In the Work programme, through third-party contractors, I saw with my own eyes some very interesting encouragement for people who were not really going to manage to run a business. Mr Mackinlay's scepticism mirrors that. But you are saying there are good experts in there now. Have they been recruited recently?

***Peter Schofield:*** No.

**Chair:** We will come to the capability of some of those people in a little while. Sir Geoffrey, back to you.

Q35 **Sir Geoffrey Clifton-Brown:** Perhaps I will stick with this theme for a minute and ask you a question, Mr Mills. There are various schemes—Kickstart, WorkStart—combined with apprenticeships, T-levels and so on, but there are two sides to the employment equation: one is your advice to claimants and the other is employers providing the actual work placements. Are all these schemes competing with each other, making each scheme a little more difficult, because of the number of them?

***Jonathan Mills:*** We have worked closely with the Department for Education in particular to try to make sure that there is a good fit between the schemes that we have developed through the plan for jobs and more widely. We have been able to make sure that we can dovetail these. Recently, we changed the rules on benefit entitlements under UC to enable people to take up training, at the same time as the DFE introduced its bootcamps to help get people into priority sectors.

We recognise that if you are an employer, you need to be able to understand how that all fits together, so the local employment relationships that Peter talked about and our national relationships with key employers have been important. We have been ramping up the staff and the capability to focus on those relationships, to help people to navigate the framework that we are providing. A number of the initiatives that we have talked about are less employer-facing, so they are more about the interactions that we have with claimants. Clearly, from the employers' point of view, they want to know how it all fits together.

Q36 **Sir Geoffrey Clifton-Brown:** It raises a more general question, but nevertheless an important question. How do you evaluate whether your schemes are having a real effect on employment that would not otherwise have taken place in the market?

***Jonathan Mills:*** If you look at one of the things we did when we were developing the interventions, we had the benefit of being able to build on some pretty comprehensive evaluation of previous schemes. There are some very well-developed methodologies to identify control groups and to identify the effect that other demographic factors and other interventions that may have been operating on people at the same time may have had. For example, in our evaluation of the Work programme or the Future Jobs Fund, we were separating out the impact of those programmes from other, conflicting factors. So we have absolutely built on that in designing these interventions, and when we come to the evaluations of these programmes, we will do that, too.

In the immediate term, when you are dealing with much more timely management information, you won't necessarily have that sort of control applied, so we have to aim for that when we are looking at the monthly RTI data from HMRC or whatever. But when we are developing the full quality evaluations, there are some really well—developed statistical methodologies for separating out those factors.

Q37 **Sir Geoffrey Clifton-Brown:** Thank you very much. Slightly out of sequence, may I ask you this, Mr Schofield, because it would be wrong to have this hearing and not to get a view on your two key departmental goals? The first is 1 million more disabled people in work in the 10 years to 2027. How are you getting on with meeting that target?

***Peter Schofield:*** We made very good progress. I think we got, very quickly, to around 750,000 or 800,000 of those jobs. The period that we have been in currently is one in which, for obvious reasons, we haven't made good progress. Where we are right now is that, as we come out of the pandemic, this is one of the groups that we really want to redouble our efforts to support. You will see that the Green Paper, when that comes out shortly, sets out our thinking around what we are going to do further to support disabled people.

One of the things I am particularly keen for us to focus on and to join up much better with the Department of Health and with employers, for example, on is making sure that when people develop health conditions—often, they are in work when they develop those health conditions—they don't fall out of work, they don't fall into the benefits system, and that everything, all the incentives, everyone interacting with the individual, is helping them stay in work or find work that they can do despite developing a health condition.

Q38 **Sir Geoffrey Clifton-Brown:** We were discussing before the hearing started that this group, unlike other groups, probably know exactly what they want. It's a question of giving them the support, probably, rather more than skills, to actually make sure they achieve it. So how well tailored is it? How well attuned are your employees in jobcentres to that aspect?

***Peter Schofield:*** For a number of years now, we have had disability employment advisers, who are specialists, in each jobcentre; they are able to give that support. So you've got that. There is also Access to Work, which is a scheme to provide and support those additional adjustments beyond normal reasonable adjustments. We are working to improve the effectiveness of that. I think there are issues around the speed at which that support becomes available and how we make that work. You will have heard the Minister for Disabled People, Justin Tomlinson, talking about what we are trying to do on that front to improve that, too. So it's a combination of that and then things like Disability Confident, working with employers to raise awareness.

I think there is more that can be done around things like occupational health and, to go back to what I was saying earlier, around helping people, when they develop health conditions, to stay in work—providing all the support they need to be able to stay in work. So there is a lot going on here and a lot more to do. You will see more set out in the Green Paper to come.

***Jonathan Mills:*** I talked earlier about how we were able to build on the evidence from UK experience of previous downturns in shaping our response now. One of the other things we have been able to do is to work with other, international partners, particularly in our role in the G7. Some of the analysis that we have had there shows that across the board, as we have talked about for other groups, you do see the impact that those groups that faced most barriers prior to a downturn tend to be the worst affected during it. But in this particular case, it was very striking that, across G7 economies, labour Ministries are all looking at the ways in which the emergence from this particular downturn might provide new opportunities. Peter has talked about Disability Confident and the work we do with employers there. Obviously, there is a lot of thinking going on, across employers in every sector, about how we might work differently in the future and take advantage of all the technologies we have got familiar with now. There are some real opportunities there for people who otherwise might have faced more barriers to work—because of their health—to participate in work in a different sort of way. So I think there is a real opportunity for us to be part of that conversation as we emerge from this.

Q39 **Sir Geoffrey Clifton-Brown:** I represent the National Star College, a specialist college that does a fantastic job in helping some of the most disabled people in the country. I was talking to the Chairman about this only yesterday. When are we likely to see this much-heralded Green Paper that you just talked about?

***Peter Schofield:*** It is coming out shortly. I probably cannot say more than that.

**Chair:** I can see the civil servant wriggle at the idea of a date.

Q40 **Sir Geoffrey Clifton-Brown:** I do not know how many times in this PAC, which I have been on for 20 years, I have heard that phrase. Please can we just devil down as to what "shortly" actually means. Does it mean summer? Does it mean autumn? What does it actually mean?

**Chair:** Summer and autumn are very broad in civil service terms, so Sir Geoffrey is being very generous.

***Peter Schofield:*** I know. I would say a civil service summer.

**Sir Geoffrey Clifton-Brown:** Does that mean later summer or early autumn? What does it actually mean? Before the summer recess? After the summer recess, which could run into Christmas? Come on—people out there really want to know this. Can we refine this?

Q41 **Chair:** How ready is it?

***Peter Schofield:*** It is close.

Q42 **Chair:** We understand that there are moves in Whitehall grids and things, and grids in No. 10 that you have to fit into. Is the Department ready with this Green Paper, or nearly ready?

***Peter Schofield:*** We are nearly ready, let me put it that way.

Q43 **Sir Geoffrey Clifton-Brown:** So we can gain from that answer that it looks as though it might be late summer.

***Peter Schofield:*** I liked the way you asked the question before, Sir Geoffrey, when you gave me the option of a whole season. I would go for summer.

Q44 **Sir Geoffrey Clifton-Brown:** We are not going to get any further on this. All I can say is that obviously everybody out there, or a certain section of the population out there, really want to see this.

***Peter Schofield:*** In all seriousness, we are absolutely in the same place.

Q45 **Sir Geoffrey Clifton-Brown:** Excellent. That sounds like late summer. How will you address the longer-term priority of promoting in-work progression?

***Peter Schofield:*** I might bring Jonathan in on this a little bit more as well. The Secretary of State commissioned Ruby McGregor-Smith to do a review on this. I will hand over to Jonathan, but I would say that the top priority now is getting people into work through the pandemic, but that work will become a priority for the Department going forward beyond that—once we have got unemployment down, we will work on getting people into better-paid jobs.

Q46 **Sir Geoffrey Clifton-Brown:** I am really worried about this moment of peril when furlough ends in September. We do not know yet, because furlough has been going for so long, what the cumulative effect is. It looks as though the economy is growing quite nicely. You talk about this 6.5% figure. Do you have any more knowledge of what might happen at the end of furlough?

***Peter Schofield:*** No. We are the wrong people to know the full detail about the composition of furlough of course, but our reading of the latest ONS data is that the number of people on furlough is coming down quite significantly, which is matched by the increase in payroll data. My hope is that, although we have talked already to the Committee about the preparedness for 6.5% of whatever it is, whenever it happens, I am hopeful that we will not need those business continuity plans.

However, I want to reinforce for the Committee that we are ready, and we are ready to help anyone who loses their job to find work quickly. We talked already about the hospitality sector as one sector where we have particular targeted action, but we are well prepared, particularly with the additional work coaches.

Q47 **Chair:** Do you have targets for how fast you turn people around into a new job if they come off furlough with skills really warm from work?

***Peter Schofield:*** We do not have targets. Margarita might want to go through this. We do weekly data reviews through the whole Jobcentre network of progress, including what we call movement into work, looking at how quickly people are coming off benefit and into work or are increasing their earnings.

***Margarita Morrison:*** We use a number of schemes and provisions. We have job entry targeted support and other schemes that we use. When we have someone who is very close to the labour market, having just come out of a job, sometimes they just need a refresh of their CV. Our work coaches tailor the support required to the customer they have in front of them. In the earlier discussion about having face-to-face back in the jobcentres, we are finding that it is a journey, and there are a number of individuals in the jobcentre involved to support the work coach. You talked about disability. We have disability employment advisers. There is a range of people who can step in—our Kickstart team—to support the young person getting into a role. It really is about the relationship between the work coach and the individual, and they will take whatever lengths and support needed to get the young person the help. That could be going off to a sector-based work academy for training. It could be bringing employers into the jobcentre to sit and talk to a group of young people about the opportunities and what they do as a business.

You talked about timescales. We have found young people leaving with jobs, having had a discussion with the employer in the jobcentre that day, so while we have a process to go through that we talk through in our work coach training, what we are looking for is a quick turnaround where we know that we have good information there, and we have someone in front of us who can match to the employer we have in front of us. As I say, we have had cases where we have had half a dozen young people leaving the jobcentre ready to start work.

***Jonathan Mills:*** On this point, and on your previous point about in-work progression, in terms of what is going to happen in the autumn there is a lot of genuine unremovable uncertainty about that. If you look at the sorts of assumptions that are in the Bank of England forecast versus the OBR forecast and other forecasts, the economic forecasters are grappling with this as well. Our Ministers are just clear that we need to be prepared for all eventualities, rather than having a single scenario.

In terms of the furloughed population, one thing that we know is that there is likely to be quite a lot of diversity in there, both in people's experience of furlough—the length of time that they have been furloughed for—and in their labour market experience beforehand. That is likely to affect how they behave and what they need if they find themselves out of work at the end of furlough. The early interaction with the work coach that Margarita has talked about—finding what this person needs and how we direct them to the right provision if they need it—is really critical. We should not expect it to be a homogenous group of people. There will be some people who have much more recent labour market experience, and some people who have more extensive needs from us. That personal engagement from the work coach is really important.

On in-work progression, Peter has talked about the commission that is doing its work on that topic. Absolutely we recognise the importance of this issue. It is worth also highlighting the opportunity here with the universal credit reforms. We now have under universal credit a single benefit that is supporting people in and out of work, and a relationship with us and our work coaches that does not stop at the point that somebody goes into employment. There is a real opportunity there for us to provide a much better integrated support offer for people in work than we have before. With the increase in the universal credit caseload during covid-19, it is absolutely a really important time to be thinking about it.

Q48 **Sir Geoffrey Clifton-Brown:** I understand that your Department has been incredibly busy over the pandemic, but what plans do you now have going forward to publish an evaluation of various schemes, so that we can all see how effective they have been?

***Jonathan Mills:*** As the NAO's work notes, we regard evaluation as absolutely central. We have absolutely felt the benefits of it. I have definitely felt the benefits of it this time, being able to use the extensive evaluation evidence from previous schemes in designing these schemes. We are working hard at the right evaluation methodologies within the plan for jobs. We have set ourselves up to do that. I have talked about how RTI gives us opportunities to do so. I hope that we will be able to say something more about that before too long.

Q49 **Sir Geoffrey Clifton-Brown:** Good. Thank you. Going back slightly to what I was asking Mr Schofield earlier, in terms of youth unemployment, and particularly ethnic youth unemployment, some areas are particularly difficult. What more can your Department do to help on the levelling-up agenda? Where you have really difficult areas of either youth unemployment or a particular skills unemployment is there any more that you can do?

***Peter Schofield:*** It goes back to how we work locally to be honest, because in every area the issues will be different. It is about working closely with the local authority and working closely with local employers and local enterprise partnerships, where that is appropriate, or mayoral combined authorities, again where that is appropriate, and together developing schemes that work. As I said at the beginning, I haven't been out and about as much as I would have liked to have done, but when I was doing that I had wonderful trips to Newcastle and joined their conversation with their partnership; I just sat with the relevant teams. They come together with all the different agencies, all of them coming together with plans for what they need to do, both in the short term and in the long term. There was another trip to Margate where we walked the streets of particular areas where work needed to be done. We knocked on doors and said, "This is a multi-agency approach. What can we do to help? What can we do to support?"

So the beauty of what we have got with DWP is a national set of schemes and a national set of interventions, and local delivery, which means that we can then tailor those schemes and draw them together in terms of how they work on the ground.

A key thing for me and a thing that we have been emphasising over recent years is developing partnerships: partnerships at a very local level; and partnerships at a local level above that. For example, there is great work going on, as I said, with some of the mayoral combined authorities. There is great work, for example, with West Midlands Combined Authority; we are developing plans with them around skills and employment.

The one other thing I would say, which I am quite passionate about cross-Government, is how we make sure that we join up between Whitehall Departments and make that a reality.

Q50 **Sir Geoffrey Clifton-Brown:** How do you, as a Department, help a person's progression, perhaps from one scheme to another? So, we might start with Kickstart; that might go on to an apprenticeship; and that might go on to a higher-level diploma or even a degree, so that somebody is coming from school, and getting better skills and getting a better-paid job. How does your Department work in that process?

***Peter Schofield:*** It works reasonably well, but I would say that we need to get better. One of the things is that we had a recent meeting between my executive team in the Department for Work and Pensions and the executive team at the Department for Education. One of the things that we set ourselves as an objective is that the pathway for an individual will be the right pathway as they move between things that we fund and things that the DFE funds, rather than it being determined by which kind of world you come in from. Did you first meet a jobcentre work coach, or did you first meet a national careers adviser, for example? How do we make sure that they tailor up?

Some good examples of how it works would be sector-based work academies, for example, which is a combination of work experience that we organise with training that is funded by the Department for Education, coming together and leading ultimately to a guaranteed job interview at the end of the programme. They have been very successful.

We talked earlier about the youth offer and the role of work coaches and youth employment leads. The youth offer means that there is a 13-week programme that could then lead to Kickstart or an apprenticeship. And one of the things that we are trying to make it easier for people to do is maybe do a Kickstart work placement and then an apprenticeship after that.

So we are trying to improve those—we call them "user journeys", I suppose; I hope you don't mind the rather technical term. But we are just trying to improve the whole experience for any individual, so that it is the right pathway for them and that we guide them through.

However, we know we have got more to do to get the different kinds of interventions from different Departments to gel together in a seamless way for individuals as they experience them.

**Sir Geoffrey Clifton-Brown:** Thank you; that is a very helpful answer.

***Margarita Morrison:*** Could I give you what is hopefully a helpful example? We use a dynamic purchasing system to go to partners where we see a recognised need. So we have had a number of young people meeting employers in the office and we see a skill that they need.

In one example, we took 36 people and ran a course for three weeks. There were three courses covering health benefits, increasing motivation, and improving their CV and their job search and interview skills. As a result of that, a number of things came out. There were people who got Kickstart jobs, but there were also people who got a six-month post as a roads assistant; someone got a childcare apprenticeship, so they moved straight into an apprenticeship rather than a Kickstart role; and another person got into an apprenticeship in IT rather than a Kickstart role.

So the employer will then look on the strength of the work that we have done through the training of those individuals over the previous term and then look to see what role they can be slotted into.

We have also seen a number of occasions where, when the employer has interviewed—you must realise that some people have come out of work during the pandemic and therefore they have great customer service skills or other particular skills. The employer recognises that from the interviewing process and actually gives them another job within the company.

We have also seen some fantastic examples of where a Kickstart employee has started and in the workplace the employer has recognised the skills the person has, and promoted them and taken them on in a permanent job within weeks of their starting. We have some great examples of where we have managed to use that external training to provide what the customer has needed, which has led to full-time employment, not just Kickstart opportunities.

Q51 **Sir Geoffrey Clifton-Brown:** Thank you; that is really helpful. I need to come back to you, Mr Schofield. This Committee, of course, is critically interested in value for money, and your Department has had a huge increase in employment support—up to £2.5 billion, rising to £5 billion in 2026. How do we measure with your Department whether we are getting value for money for that? How do you evaluate what money you put into each scheme? For example, you spend £6,700 on a Kickstart job, which is more than three times the cost of a Restart placement. When you are deciding how to allocate those resources, how do you make those sorts of decisions?

***Peter Schofield:*** That is a good point. On your point on the evaluation, the value-for-money test and all that—what we see in the businesses cases that we put through—fundamentally, it is around whether we made sure that, in investing the money, the cost on the one hand was offset by the returns on the other. The returns will be a variety of things. There will be the fact that we have taken someone off benefit for longer than they would otherwise have been, and they have been in employment for longer, so there are some fiscal benefits from the tax and the benefits that have not been paid. There are the economic benefits from someone being in work for longer, and there are the social benefits from having more people in work and fewer people out of work.

The evaluation brings those together, and the fundamental question of value for money is whether one is offset by the other. That is the test that we go through the business case with. In the case of the Kickstart business case, we drew on the evaluation of the Future Jobs Fund, which was published many years ago now, I suppose. In the case of Restart, we based it on the evaluations that we had been doing on the Work programme before that, so we were able to rely on that. That is the basis on which we got approval from the Treasury, and that will be the basis that, ultimately, we will evaluate.

I might bring Jonathan in on comparing the unit cost of different schemes, because the fact is that you are not comparing apples and apples here, of course.

**Sir Geoffrey Clifton-Brown:** Yes, I get that.

***Peter Schofield:*** You understand that, of course. Jonathan, do you want to come in?

***Jonathan Mills:*** Yes. Kickstart is an interesting example. As you say, among the things we used was the evaluation of the Future Jobs Fund, which showed a positive return to participants, to the Exchequer and to employers, but we were also able to improve with Kickstart, so the administrative overhead—the costs that we provide to employers to support employees—was quite a lot lower in Kickstart than it was in the Future Jobs Fund. I think it was about £2,600 for the Future Jobs Fund, and it has come down to no more than £1,780, so the value-for-money case should be stronger there. Similarly, in Restart, we were able to improve over previous programmes.

In terms of how you decide between them, obviously that is within an overall affordability envelope. The conversation we had with the Treasury at the start of this process, when we launched the plan for jobs, was about the need that we had for these different schemes, and then they set an affordability envelope around all that, which was confirmed in the spending review. With the Treasury, we were identifying what the need was and the resources were agreed at that level, rather than us having to trade off apples and pears, as Peter suggests.

**Sir Geoffrey Clifton-Brown:** I understand that.

**Chair:** That makes some sense, actually, so you have more autonomy.

Q52 **Sir Geoffrey Clifton-Brown:** That is why I asked you particularly about the evaluation and publishing the evaluation data, so that we can have much more data and so on to evaluate whether you are providing value for money or not. I think you were saying that you will have something more to say about that shortly. Again, I am not sure what "shortly" means, but—well, what does it mean? When are we likely to see this evaluation? This is really critical.

***Jonathan Mills:*** The actual evaluation itself obviously depends on the outcomes from the programmes, and in cases such as the Restart programme we will not know the final outcomes for a number of years, because the programme takes time to be executed. The work that we are doing to design the evaluation is under way now. I cannot give you a commitment on when we will be able to say more about it, but we will be working with the NAO on specific programmes that they want to look at in more detail. I think we are looking at the Kickstart programme first. That is the next area that we are focusing on.

Q53 **Sir Geoffrey Clifton-Brown:** Perhaps sticking with you, Mr Mills, because this is your area, Mr Schofield described at the start of the hearing how you have divided the Department into giving the benefits out in a frenetic way and the increase that you have had with universal credit and so on, and your part—the employment support schemes. How have you as a Department managed to deliver what are quite big new programmes—the Work programme, Kickstart and so on—as well as getting on with your day job?

***Jonathan Mills:*** As a Department, as Peter described, we have clearly defined leadership roles, but the capacity of the Department as a whole was used across those two roles at different points in time. We have been able to draw on our commercial expertise or the delivery expertise that we have developed through rolling out universal credit in getting these programmes up and running.

I should say that that is also with really good support from the Treasury and the Cabinet Office, who have helped us to put in place the right governance and have also streamlined it in some places, so that we have been able to get these programmes up and running quickly.

We have been able to draw on quite a lot of established expertise, not just from the previous recessions but from the other big change programmes the Department has been executing—

Q54 **Sir Geoffrey Clifton-Brown:** This has been a massive workload for your Department. Have you had to take on extra staff? What will happen to those staff if—when; we surely will—we get back to normality?

***Peter Schofield:*** We have obviously taken on an awful lot of staff in terms of work coaches and service centre leads. It is those work coaches who are currently delivering Kickstart across the country. Many of them are working with young people delivering Kickstart.

Q55 **Sir Geoffrey Clifton-Brown:** They are on temporary contracts, aren't they?

***Peter Schofield:*** They are on temporary contracts, because our funding is set for the year that we are in. We will hopefully have the spending review in the autumn, which will give more clarity about longer-term funding for us and then we will make decisions going beyond that. Those decisions will be based on where we are in terms of the economy, where we are in terms of unemployment and what the demand looks like. Obviously, there are opportunities for us to use resource that we have, depending on what the final settlement is, to move on from helping people into work more into things like in-work progression and that element, and helping more disadvantaged groups access work.

There is plenty of work to do, but how we allocate roles will really depend on, first, how much money we get in the spending review and the Government's priorities for us in the light of that.

Q56 **Sir Geoffrey Clifton-Brown:** Obviously, you had to work at pace during the pandemic. You have had two sides of the Department—one was providing the benefits, the other was providing employment support. Both were introducing new schemes and there was a huge increase in the number of claimants. How are you, in dealing with all of that, managing to keep in proportion the level of fraud and error?

***Peter Schofield:*** First, I divided the leadership team—

**Sir Geoffrey Clifton-Brown:** I meant the leadership, not the Department—I want to be absolutely clear.

***Peter Schofield:*** Obviously, since I was last at the Committee, our fraud and error numbers for last year have been published. We talked before when I came to the Committee, both in April and last September, about the pressures that the pandemic and paying benefits put on the systems, such as the fact we couldn't do face-to-face initial evidence sessions and the implications that that had, and the very significant increase in claims.

I know the Committee will want to question me further about the numbers and, as we promised in the recent Treasury minute, we are putting more data in the annual report and accounts when that gets published in the early summer—absolutely this side of the recess—so we will talk more then, but, fundamentally, it has been a challenge. You will see that in the numbers.

In terms of my leadership team, I have asked Neil Couling, who is the universal credit SRO, to also lead for me on driving down fraud and error. Fraud and error in universal credit rose from 9.4% to 14.5% in the latest numbers and we need to drive that back down towards where it needs to be in the business case.

Q57 **Sir Geoffrey Clifton-Brown:** Do you have a timetable for getting back to where you were pre-pandemic—back to single figures rather than double figures?

***Peter Schofield:*** What I would suggest is that we publish what we are going to publish in the annual report and accounts, because that needs to be reviewed by the NAO, and then I imagine you will have me back.

Q58 **Chair:** Can I just put on the record how pleased we are that you are going to get your annual report and accounts agreed before summer recess? That is quite an effort in the current situation, but it is very helpful that you are able to do that. We will be having you in before the summer to discuss that.

***Peter Schofield:*** I know you will. We are running a bit later than we had planned so we are hoping for this month.

**Chair:** Given the pressure that your Department is under, it is a credit to your finance team and to you as accounting officer that that is coming.

**Sir Geoffrey Clifton-Brown:** I would echo that.

**Chair:** We do not give you an easy time on it, but we like to be able to have those figures in real time and it helps us watch you hopefully get things back on track.

Q59 **Sir Geoffrey Clifton-Brown:** Coming back to my core question, what is the timetable for getting back to pre-pandemic levels, particularly for UC?

***Peter Schofield:*** Let me say this, and I am sure we will go into more detail in a further hearing: what we have seen are two things that we are seeking to address. One is something we can address relatively quickly we think, and one is a longer-term challenge. The thing that we can address relatively quickly—we have got a team of 1,400 working on it right now—is going back through those claims where they went through what we called an easement or they went through and we did not do the face-to-face identity checks, so we did not have full access to the documentation that people would typically present face to face. We found other ways of doing that, but there was a period where—

**Sir Geoffrey Clifton-Brown:** I understand, there was a need to pay the money out quickly.

***Peter Schofield:*** Exactly. We are going through those cases, and I think the plan is to finish that—I was going to use a seasonal analogy; I will be a bit more precise—I think around September. That is currently the plan.

The other thing that has gone on, which I am sure we will say more about when we next talk about this, is what we have seen in terms of the case mix. I am not sure that is going to change quite as quickly as we might have imagined, and how much of that is down to the pandemic is questionable, I suppose. We have seen a doubling of the proportion of people who were self-employed and a doubling of the people who say that they had capital. We have seen fraud on earnings through self-employment go up very significantly in the latest numbers. It was not quite as significant, but there was still a big increase in capital fraud. To address that is more difficult. It will involve better work. We are working closely with HMRC, because it has the same issue in terms of the self-employed, for example. I talked before to the Committee about what we can do with the banks to get access to information around capital deposits. I think that is a longer-term challenge.

With the thing I think we can make more progress on quickly, I have got people working away on that right now. The other is a longer-term structural challenge, which I do not think was anticipated in the universal credit business case, but which we need to be working through.

**Chair:** We will come back to this and generally a lot of the performance of the Department before the summer.

Q60 **Sir Geoffrey Clifton-Brown:** A final question from me on the roll-out of universal credit. Are you on track with that, or has the pandemic actually increased it in a way? Where are we in terms of roll-out?

***Peter Schofield:*** The move to UC pilot that we were doing in Harrogate we had to pause, because it involved bringing customers in face to face, but we hope to say more about our plans going forward. We are still aiming to finish by 2024, but the way we do it will be rather different. You are right, there may be more people who were on legacy benefits—tax credits or whatever—who have made a new claim to universal credit and who might have come across. We might have made more progress there, but we will say more about that in due course.

**Sir Geoffrey Clifton-Brown:** I think I will leave it there.

Q61 **Chair:** Just a couple of quick ones from me before I pass to Shaun Bailey MP. On the upcoming Green Paper, you promised evaluation of disability support schemes. When are we going to see that evaluation? Is that going to be part of the Green Paper, or is it going to come—

***Peter Schofield:*** It is mentioned here in the Report. IPS in particular—I think the Work and Health programme is another one—relied on randomised control trials in order to do the evaluation, which we were not able to do during the pandemic, so we paused it. We are trying to work out another way of doing the same evaluation.

Q62 **Chair:** So you do not know. How long will the randomised control trial take?

***Peter Schofield:*** We probably will not—the problem with a randomised controlled trial is that you are basically saying there is a cohort who are not going to get the support, to give you the control. We did not think that was appropriate in the situation we were in. Basically, we are working out another way of doing it, but I do not have a timetable. I could write to you if you like.

**Chair:** That would be helpful. Also, if the Green Paper is coming out and you haven't done that evaluation, there is a chicken and egg situation.

***Peter Schofield:*** That's a fair challenge.

Q63 **Chair:** We talked a lot about Kickstart, and Margarita Morrison gave us some interesting examples. There is a danger that there could be low-hanging fruit—that is no criticism of getting people in the jobcentre and out into a job the same day, but those are the good news stories. When are we going to see figures of people getting on to those schemes, staying in jobs and so on, and how often will they be reported? What metrics will you use? We will be happy, as a Committee, to work with you on what you report to Parliament, if that is helpful. What are the plans so far?

***Peter Schofield:*** Part of the evaluation is what we can say about those programmes and the impact they have had in terms of helping people stay in jobs and the earnings they have from that. That is part of the evaluation that Jonathan was describing.

Q64 **Chair:** How will that be reported? Through your website? Will you make reports to Parliament regularly?

***Peter Schofield:*** It is part of the performance section in our annual report and accounts.

Q65 **Chair:** But that's annually. We have been doing some work with another Department about making sure that reports to Parliament are every six months. These are metrics that we think are useful. Obviously, it has to be metrics that you have, but we can see the progress over time and, as a Committee, we can help to monitor that. Is there something that will come out more frequently?

***Peter Schofield:*** We are doing regular information updates on Kickstart take-up, for example. If you like, we can work with the NAO.

Q66 **Chair:** It would be very helpful if you could work with the NAO and involve some of us on the Committee—a couple of us can specialise in looking at this. It does make a difference. We have already seen a recent article, ostensibly by one of your Ministers, although perhaps they did not draft it themselves. It was very vague on the figures. If that is the public reporting, it is not good enough, and they would probably acknowledge that. Perhaps we could pin down some metrics that we can hold you to account on every quarter or six months, whatever would be appropriate.

***Peter Schofield:*** We can talk to the NAO.

**Chair:** It would be good to have a common baseline. Also, when people promise that there is a great outcome, we know what the reality is, and we can drill it down as far as possible to as local as we can get it—*[Interruption.]* I think that is a yes. Shaun Bailey, would you like to come in?

Q67 **Shaun Bailey:** Mr Schofield, currently Kickstart rates in Sandwell are as follows: 400 referrals, 70 responses and 15 starts for 200 vacancies. Is a 1% uptake a success?

***Peter Schofield:*** Thank you for your support in your constituency, Mr Bailey. It is much appreciated. I go back to my answers to Sir Geoffrey earlier in terms of the work being done to translate those jobs into starts. I think it is a great success that we have got to the point where we have those jobs coming in; we have approved them and uploaded. The key thing now is to encourage young people to apply for those roles and work with employers to make sure they take them up. There is a lot of work going on.

Clearly, I want to get to a point where we are filling much more of the vacancies than you are currently seeing. That work is underway. Now is probably the wrong time to have a snapshot of whether we are at success, because, as I said earlier, there was a long period earlier in the calendar year when we were in lockdown and some employers were unable to take young people in. Now, we are at the point where things are opening up.

We are bringing in more young people into jobcentres to have those conversations with work coaches. Increasingly, we are trying to encourage employers themselves to come into jobcentres. As Margarita described earlier, it can be a fantastic way of matching and getting outcomes there and then, rather than having a referral to an interview and all that goes with that. We are using jobcentre space to encourage employers to come in and have those conversations. Absolutely, I want to get to a point where we are filling those vacancies.

Q68 **Shaun Bailey:** Mr Schofield, obviously the Department has recognised that the job picture we now face is much more regional. I have noticed that, particularly with Restart as opposed to Kickstart, you have adopted a prime provider commissioning model. Given some of the issues that we are seeing around uptake, would it not make sense to leverage those localised skillsets to do this? Local authorities, for example, are not just job brokerage services now; their offering is a lot broader. I am just curious about why you went for that prime provider model, and about whether there could have been a much more localised commissioning basis for some of these services.

***Peter Schofield:*** Sorry, do you mean for Restart?

**Shaun Bailey:** Yes. My understanding is that you offered a prime provider commissioning model for the Restart scheme.

***Peter Schofield:*** Yes, it is building on the experience of the Work and Health programme, for example, and the Work programme before that. Using those relationships has tended to be quite an effective way of doing that. There are some places, like Manchester and Greater London, where the Work and Health programme runs in a different way. Jonathan, do you want to say a bit about how we have designed Restart?

***Jonathan Mills:*** On Restart, yes, we absolutely did want to get that element of local targeting in there. One of the things that we did as part of the tendering process was to get local authorities involved in identifying and assessing local need and taking that into account in the process of approving the contractors. As you say, there is still a consistent national approach, because the evaluation evidence showed that that was quite important in ensuring value for money overall, but we did build in that local voice in the process of identifying who the contractors would be.

Margarita might want to add to this, but as the scheme gets up and running, we would expect that our jobcentre leaders would be working with the expertise that they have locally, in local authorities and elsewhere, to make sure that the Restart provision is really well embedded in what is going on locally.

Q69 **Shaun Bailey:** Okay—you have just talked about how you have adopted that national approach, but I have had quite extensive conversations with my local authority this week. The real concern here is that we are dealing with a regional job picture, and the approach of the Department seems to be to take a national stance on it. You must see that there is a disconnect here, surely. I am aware of the engagement that you have had with local authorities, particularly around that initial phase of Restart and getting them on some of those approval panels, but more broadly, what are you doing as a Department to recognise the fact that you are dealing with a regional job picture? The job market in the Black Country is different from the job market in London. It just seems as if there is a disconnect in words and actions.

***Jonathan Mills:*** We completely buy that analysis of the labour market. It is regional—in fact, sub-regional—in what is going on, and we expect that to pan out over the next few years as Restart gets going. One of the things that we have learned from previous programmes is the need not just to set them up right to begin with, but to have that ongoing relationship with the contractor so that with our local partners we can identify where the provision is effectively tailored locally and where it is not—where it needs to be steered back on course.

Q70 **Shaun Bailey:** That is great, but I will call out one example: you talked about youth engagement with the youth hubs stuff around Kickstart and some of the ancillary services. I can tell you that my local council provides those in-house, so surely it would make sense from a value-for-money perspective to use those resources that local authorities have at their disposal. My concern from a value-for-money perspective is that it sounds as if you are duplicating work that, to an extent, could be done if the models that you are utilising brought local authorities on board a lot more.

***Peter Schofield:*** I am very happy to talk offline if there are particular issues in your part of the country, Mr Bailey. I thought that page 36 of the NAO Report was quite helpful in seeing how it all comes together in a local area and how it works in practice. That is what I recognise from what I see around the country. The picture does have the jobcentre in the middle—I imagine you could draw it in a number of different ways—but the key thing is the nature of those partnerships and relationships that go on locally and enable us all to work together. If there is a particular resource or specialism that a local partner has, or a local capability, we do not want to duplicate it; we want to make sure that we are pooling all the resource together.

That, I think, is what happens. If anything, I think the biggest challenge is making sure that we work better between Government Departments, actually, rather than some of the local partnerships.

**Shaun Bailey:** That is the dream, Mr Schofield.

***Peter Schofield:*** If you feel that there are issues in Sandwell, I am very happy to take those away and look at them offline. I want the model that you see on page 36 to be a reality everywhere.

***Margarita Morrison:*** I was just going to add an example. We have our partnership managers; we have our employer advisers. We do work with the mayoral authorities, local authorities, the LGA. It is that rounded approach that is getting us the success, and we have the partnerships there in the hubs together, working on the issues that a young person might have.

If it is a training and skills matter, we can use our training and skills partners. If it is job availability, we have seen local authorities stepping in in those hubs to assist us with apprenticeships and kickstart roles. It is very much a joint effort locally that is based around those place-based plans, so we do understand that local market.

Going back to a question that was asked earlier, we also have three tiers of a marketing approach. We have our national marketing approach, where we work with very large employers so that we do not go more than once across the country, but we also have local marketing skills, and I think the interesting thing here is that in the 13,500 new work coaches that have joined us, there are a lot of skillsets, including marketing, and we are seeing that being used across the piece. In Scotland, for example, we are using a couple of marketing people to go out and make sure that they talk to as many employers as they can—I think it is 300 over the course of the last week—so that they understand what kickstart is, the roles that the different agencies are playing, and what they can do to assist.

We also use our employer advisers to make sure that the employers themselves are assisted to ensure that they understand that if they are providing jobs, for example, they need to be entry level for Kickstart. Some of the delay that you mentioned earlier is that work to make sure that we get the right approach and right outcome, so that we can put the young person into the role.

Q71 **Shaun Bailey:** That is really helpful. Would you say that you have the local flexibility there? This Committee has had evidence from the LGA, for example, which has said that one of the things that it would like to see, particularly with the Restart programme, is more embedded local flexibility in those markets. Would you say that you are confident that that is there, or would you recognise perhaps that that is something on which the Department needs to look at how it can further enhance that local market flexibility?

***Margarita Morrison:*** I do see it working well at the moment. I see the partnership, using the different agencies, working well in the youth hubs.

***Peter Schofield:*** I think there is a reference in the Report to a particular local authority who felt that they were unable to influence in the way they would want, so one of the things we have wanted to do offline with NAO is to link up if we can with that local authority—it is unnamed in the Report—to get to the bottom of what is going in that situation.

Q72 **Shaun Bailey:** I think the difficulty that you probably have, Mr Schofield—I am sure you would agree—is that for some local authorities, employment support is not necessarily a core service. If we talk about the partnership working for a minute, and then come back to this, given the fact that local authorities are responsible, to a degree, for some of the local operational delivery, surely there is a need for the Department to work to enhance that as a core service, so that it does become BAU provision. Clearly, a lot of the local authorities that we are hearing from, and the LGA, know the picture of the ground, and they perhaps feel that there is a disconnect in terms of being able to deliver it. Would you agree with that?

***Peter Schofield:*** My experience on that is more similar to Margarita's in the sense that I have seen great relationships working in practice. As Margarita says, we have opened up the conversations with the LGA and other organisations, such as the GLA and the mayoral combined authorities, just to make sure that we are picking up on any concerns that it is not working where it should.

You are right that the picture is different in different places about what capabilities and capacity different local authorities have. The key thing for us is to ensure that—often local authorities are good at convening local partners in that area together—we have what we do with our core support through work coaches and jobcentres. That is ongoing support, as you say, but there will be specialist providers—people who have expertise in supporting particular groups, particular communities, as we have discussed. We want to work closely with them, so that we draw on the best expertise, always with the citizen, the claimant, at the heart of this, to make sure that we help as many people as we can get back into work.

Q73 **Shaun Bailey:** I do not want to draw you into commenting on a policy direction, but do you think that the scope of a national strategy probably needs to be parked away in favour of much more hyper-regional approaches? From what you are saying, it seems as if the Department is definitely recognising that through its work, particularly with the combined authorities, but do you think it is time to embed that as the standard in building such schemes?

***Peter Schofield:*** Perhaps it is a slightly different emphasis from what you have just described, Mr Bailey. The point that I am making is that we have the national schemes, which are developed in the way that we described—drawn from our evaluation of previous schemes and our learning, and designed to offer value for money—but in how we apply them, we have the opportunity to vary that in different places, such as reaching out to different groups of employers.

If you think about what Kickstart is, it is a grant payment scheme; it is a grant payment scheme that we can work with different employers, different sectors, to apply to the young people whom we want to support. The same is true for other things. That is my point. It is about what we think is an effective mix of national schemes and the funding that comes from them, and local delivery, based on partnerships, as you can see on page 36 of the Report, which puts the user at the heart so you can tailor and develop it.

One of the things that we have been trying to do is to ensure that we learn as we go along. We have talked—in answer to Mr Mackinlay's questions on Kickstart—about what we have learned from employers that we have taken back in the feedback loop to Kickstart, changing some of its parameters. It is certainly possible to do that. We have demonstrated that.

Let us keep in touch. If you have a particular issue in your local area, we are very keen to address that and to see what we can do to make it work more effectively.

**Chair:** Perhaps, Mr Bailey, one of Mr Schofield's first visits outside the area could be to your patch—there you go.

Q74 **Shaun Bailey:** Absolutely. We would be more than happy to welcome you. I have one operational point to make. Some feedback I have had, particularly from my local council, is on approvals on the Kickstart scheme. Councils are receiving first-round approvals, they are then instructed to submit additional applications for any new employers who want to take part in the scheme, and they are finding that there is a significant backlog in the system. As a result, they are now being told not to apply for any more schemes, but, equally, they are criticised for their numbers not being as high as they should be. Is the Department aware of the issue? What steps is it taking to deal with it? It is a significant frustration for local authorities, which are trying to engage but, equally, getting criticism for something that is not really their fault.

***Peter Schofield:*** We are trying to streamline the process. I guess we are prioritising those gateway organisations that have been most successful at getting people into starts. That goes back to your first question on that, Mr Bailey. We are trying to encourage good behaviour throughout the system. I can look at your case in particular—I do not know the details of your local authority—but definitely, we are trying to streamline the process for those gateways that have been most effective at getting people into work and to enable them to bid for more roles. To gateways that have been sitting on a lot of vacancies unfilled, I guess our first message is, "Can we fill those vacancies first, rather than approve new vacancies?" I guess we are taking a segmented approach in that respect, but I am happy to look at your particular situation.

Q75 **Shaun Bailey:** I appreciate that, Mr Schofield. The frustration of local authorities, particularly from what I am hearing, is that they are very much being pressured to take as many as possible, to maximise the number of employers they get on board and the vacancies available, but they actually cannot do that, so they are getting criticised as a result, perhaps for not having the figures they are expected to, but the error is systemic, not an unwillingness to do it. They are probably looking for some timeline or willingness to look at and address the backlog perhaps, so that they can carry on engaging with the programmes.

***Peter Schofield:*** Let's take that one away. There is a lot of focus on the throughput through the Kickstart approval process and the backlogs. As Jonathan said at the beginning, we saw quite a surge of applications early on, and I am conscious that we—I am sorry to say—did see some backlogs building, but we have addressed a lot of those backlogs in recent weeks and months. I am happy to look at your—

**Chair:** It sounds like there needs to be an offline discussion here as well, Mr Bailey, and we can pick up the wider points as a Committee.

Q76 **Shaun Bailey:** I appreciate that this has been touched on somewhat, but on data sharing—I know we have made a lot about this—how are you ensuring that data sharing between yourselves and local authorities is getting to a point where you can build up that refined picture? We have heard some of the frustrations and that the conservations have been, at times, a bit sporadic. The willingness is there, but sometimes that isn't following through, so what is the Department trying to do to ensure that that is absolutely nailed down?

***Peter Schofield:*** In different places, there are different solutions to that. When I was in Margate, I saw the way every agency brought their data into the room. The same happened in Newcastle as well. I know that there can be some GDPR-type sensitivities, but by and large I found that most partnerships are able to work through that and find the right solution. As you say, there was a reference in the report to a particular local authority that had a concern; so through the NAO, we are keen to address that and get to the bottom of it. There can be some technical barriers, but what I found is that where you have the right relationships locally, people find a way through that to share data in an appropriate way that is GDPR-compliant.

Q77 **Shaun Bailey:** One of the comments that I have had was about the cyber-security requirement that is sometimes set on these schemes, particularly to local providers. Can you talk through how you are reviewing that? I appreciate that you have to take into account such things as GDPR, but how are you ensuring that that is not inhibiting local providers in giving this service and sharing this data with you, because clearly, we need that to build these schemes going forward?

***Peter Schofield:*** The way we would normally do it is by talking about groups, cases or individuals and sharing what we know about those cases and individuals or cohorts together in those partnership groups. I was not aware of a cyber-security issue, but I will always reassure the Committee that we take the cyber-security of our systems incredibly seriously, so where there is a cyber-security issue, we are all over that and that may have an effect. That certainly will affect bulk access to our systems going the other way, so it would have to be us sharing what we can share, rather than someone having access to our systems, if you can see what I mean. But, by and large, it works because of the way we go about this—talking about groups and cases rather than the bulk sharing of data, and that is where it becomes more difficult because we have duties under GDPR.

***Jonathan Mills:*** As Peter says, and we see this in the data-sharing relationships that we have with other Government bodies as well, sometimes we can run into problems when somebody asks for a very specific piece of data—x, y or z. If people are involved who are able to step back from that and identify what the substance is, and what the problem is that they are trying to solve, we can usually find a way of making that work within the regulatory environment, so it is often just a case of getting the right people with the right expertise involved to be able to work out what the art of the possible is for the data need. Sometimes that might be a slightly different dataset from the one that people—or we—originally asked for, but it is about having the right expertise engaged. We do try to do that.

Q78 **Shaun Bailey:** Just to take a bit of a step back and look at the schemes again, obviously, employment support schemes are tied in with universal credit, and universal credit is a household benefit, as you guys know. Broadly speaking, you need to be 18 or over to claim it. How are you trying to catch those who may fall through the loopholes as a result of that? A large number of people will be eligible for these schemes, but perhaps because they are not necessarily engaging with frontline services, you are not going to capture them. I know that we have talked previously about the marketing and things like that, but what is your assessment—

**Chair:** Just to be clear, Mr Bailey, you are talking about including people such as freelancers who have not had Government support—

Q79 **Shaun Bailey:** Yes, freelancers, but equally people in a household who may not engage with the jobcentre and people under the age of 18 who may not engage with the jobcentre—as we know, some of these schemes cover 16 to 24-year-olds. How are you ensuring that those people who fall through the loopholes are being captured? You have talked about the engagement campaigns you have done. What assessment have you made of the number of people who are falling through the loopholes and not engaging with these schemes?

***Peter Schofield:*** I guess there are two categories here. There are those who should be eligible but who we are not capturing because of a lack of awareness, lack of contact or whatever. On that, I would say a number of things. First, given everything we do to raise awareness, universal credit itself has higher take-up than the legacy benefits, and that is part of the business case anyway. We are reaching more people; more people are drawn into conditionality through universal credit who we have more contact with, such as partners, for example. However, there is more we can do, I know that. One advantage of the local partnership working that we have just been talking about is that, when we work with social housing providers and landlords, for example, we can find groups that we are currently not in contact with, so we are trying to do more of that. Local authorities may also have access to more people who, for whatever reason, are not on our radar screen. There is stuff we are doing for those who are eligible. That is one point.

The second point is those who are not eligible, because as you say, quite a lot of these schemes, as is set out in the Report, are designed for people currently on universal credit or jobseeker's allowance. The Report talks about people who are not benefit recipients and what schemes are available for them. Some of the most important there are those schemes that are funded by the European social fund. That is making a difference. Jonathan might want to say a bit more about how those operate. Obviously, we are working closely across government on the development of the UK shared prosperity fund, which is due to come in next April.

**Chair:** Mr Bailey, do you need more detail on that?

Q80 **Shaun Bailey:** My question was whether you have any assessment of how many people are falling through the loopholes. Does the Department have any analysis of that at all, in terms of the number of people you think you will have to reach out to as a result of this?

***Peter Schofield:*** I do not know which category you mean. On the category of people who should be eligible but who we do not know about because they may not be claiming the benefits they should be claiming, yes, it is part of our underpayment analysis in the fraud and error statistics. There is data there, I guess.

Q81 **Shaun Bailey:** Could you share that with us?

***Peter Schofield:*** Those are published data.

**Chair:** We look at that.

***Peter Schofield:*** On the proportion of people who, for example, the European social fund might help but who are currently not on benefits, I look to Jonathan.

***Jonathan Mills:*** I will have to check on that. The other very practical thing I was going to say is that some of our interventions, including youth hubs, are co-located. If we come into contact with people who are not eligible for our services directly, there are a lot of other providers; there are local services and services provided through the Department for Education. We still seek to signpost people to the right provision if they come to us but are not eligible for our provision, and that co-location really helps with that.

Q82 **Shaun Bailey:** Going back to the local provision, I just want to look at the district provisioning tools. One thing that local authorities told us they had some concern about was that, while the Department can obviously refer people using these district provisioning tools, its information is not necessarily shared with local authorities, which therefore do not necessarily get the picture of what the Department is referring people to locally. Is there any scope to share that data with local authorities, and why is it not currently being shared with them—showing what has been fed to you?

***Peter Schofield:*** I wonder whether Margarita might be able to talk a little bit about how that works in practice.

**Chair:** Ms Morrison, you are on the frontline there.

***Margarita Morrison:*** I suppose, for me, it is the fact that the work coach will work with the customer, understand their requirements and best decide where the provision comes from based on their knowledge of the provision tool. Take the example of young people who are perhaps further from the labour market. We are starting from the skills base, as I mentioned earlier, of health and motivation. We would refer, for example, to someone like Street League, and they will combine the power of sport and teamwork to give that young person the initial skills that they need. Some local authorities do that, but some would not provide that type of service, so it comes back to that tailored support to the individual.

Q83 **Chair:** I think, Ms Morrison, you have slightly misunderstood Mr Bailey. He was not suggesting that it all should be provided by local authorities; he was asking why that district provisioning tool was not available to local authorities that might know of organisations that could plug gaps or offer alternative provision.

***Margarita Morrison:*** My answer would be the partnership that we have with most, if not all, local authorities. We have discussions about the skills, training and opportunities that are available, so we are jointly discussing that on a very regular basis.

Q84 **Chair:** Just to be clear, is the district provisioning tool a secret document, or is it something that could just be shared with partners?

***Peter Schofield:*** My understanding is that it is something we are completely open and clear about with partners. The only sensitivity I need to be aware of is the commercial nature of how we use the dynamic purchasing hub to buy that provision.

Q85 **Chair:** We are looking at page 36, which you have referred to before. That is sort of what we are asking for, isn't it, Mr Bailey?

**Shaun Bailey:** Yes.

**Chair:** It does not need to involve contractual information.

***Peter Schofield:*** No, okay. It sounds very straightforward. Let's take that away; I am sure we can talk about that.

**Chair:** Mr Bailey, anything else?

Q86 **Shaun Bailey:** Just to build on that, surely, Mr Schofield, you can see that given the conversation we have had today about dynamic working with local stakeholders and the good story that the Department seems to have to tell, it would be common sense to share this information.

***Peter Schofield:*** I do not think there is a problem with us sharing what we are doing with partners, because part of this is about pooling our experience and—

Q87 **Chair:** So that is a yes, then.

***Jonathan Mills:*** These are very practical things. I think it is it literally sits on our intranet site, so giving people access to the thing would be not technically straightforward, but I get the sensitivities.

**Chair:** Yes, but that is not the substance of—

***Peter Schofield:*** We will find a way.

**Chair:** I am sure that all the brains at the DWP can work that one out somehow; if not, Mr Bailey looks like he is offering to lend his support. Thank you very much. Is there anything else you wanted to raise, Mr Bailey?

**Shaun Bailey:** No, that is it from me, Chair. Thank you.

Q88 **Chair:** The last couple of quick questions from me are picking up on Mr Bailey's point about the national policy versus the local offer, and picking up on some of the evidence here from the Local Government Association. Local authorities are being asked to set up youth hubs, but these are very physical places, and they are saying, "Well, you can do this in different ways." Certainly in my own patch, there are youth organisations that already exist, and I am sure we can all think of examples. You do not have to have a separate building and a separate youth hub. Is this something that you are prepared to be a bit more flexible on?

***Peter Schofield:*** I talked about the face-to-face interaction with young people. We have found in practice that having a physical place where you can say to a young person, "Come here", and everyone is in the room and you can engage with people, is more effective than just an online tool.

Q89 **Chair:** But there are physical places that they already go to.

***Peter Schofield:*** Absolutely. What we are keen to do is have them located in the right place for the young people.

Q90 **Chair:** So you are not necessarily after buildings called youth hubs that have to be physical, new premises, badged in a particular way. It could be done in a more fluid, dynamic way.

***Jonathan Mills:*** You would be co-locating them, making use of existing opportunities.

***Peter Schofield:*** Exactly. Whatever works.

***Jonathan Mills:*** Obviously in the past few months, a lot of this has been done online, so it is a kind of mixed mode delivery.

Q91 **Chair:** We are thinking of things like an existing youth organisation that does a wide range of youth work and might have different activities on different days of the week. It might just be that there is a pop-up on a Thursday about work, where various people turn up to that particular venue and then go somewhere else the next night.

***Jonathan Mills:*** We are certainly up for those conversations.

Q92 **Chair:** Thank you; I think the LGA would be particularly interested. The other really important issue is long covid, and we have had some excellent evidence from the long covid support working group—which I commend to you—and lots of questions there. It suggests in the evidence that there is going to have to be some test case law that will test whether long covid is treated as a disability. Is that your understanding, and do you have any idea of where it sits currently in the DWP's remit: as a disability, or as a long-term health condition?

***Peter Schofield:*** This is the difficult thing, isn't it? The key is the impact on people's daily living. That's the test—the function test rather than the medical test. I think we need to work with health professionals to understand the implications of that, and we will be working with our suppliers to make sure that they are able to make the right judgments and support us in making the right decision—

Q93 **Chair:** And of course it is quite fluctuating. It is still quite an unknown—

***Peter Schofield:*** This is the thing; this is what I mean; this is why it's quite difficult, potentially, at the moment—

Q94 **Chair:** But these are people who were in work and often have not been able to work as much. Some of them still are employed with long covid; some have lost their jobs. We have had moving evidence from someone who has been very concerned that they won't be able to get work now, having lost a job because they have long covid. So it's something that you are alert to.

***Peter Schofield:*** Yes.

Q95 **Chair:** In terms of whether this will ever be categorised as a disability, can you give us any sense of how long that process might take and whether it's even a possibility? I think people out there suffering from long covid need to have some understanding of the mechanisms of Whitehall to get to the point where it might—

***Peter Schofield:*** I would say two things. The first is to absolutely endorse what you have just said about trying to get people back into work or finding the support to enable people to do the right work that they can do. That is where the Green Paper is; that's what that is all about. We need much better occupational health. We need much better support through things like Access to Work operating more effectively to provide all the adjustments needed—

Q96 **Chair:** But that's if it's assumed to be a disability. What is the process whereby potentially long covid could be designated as a disability or long-term health condition? Has it got to that point yet? You must have. Certain health conditions would—

***Peter Schofield:*** For access to disability benefits, it is about the impact on daily living. That is the point. That is where we are really keen to work with the group that you have talked about and others, just to make sure we have understood the evidence base. We pull that together, but that's—

Q97 **Chair:** And what about people who are currently in work with long covid? They may even be furloughed; they may not be having to work, because they are furloughed. Clearly, trying to keep them in employment—you have talked about occupational health, but it's quite an uphill task for, in particular, a small company, a small business, with perhaps one or two employees. It's quite a big ask for them to support somebody effectively. Are your work coaches or is anyone doing any work with people who are in work with this particular condition? We could pick up lots of other issues, and there has been very good evidence from other disability groups, I should say, and health groups, but this one does feel very viscerally connected to the challenges we have all faced over the last 14 months. Some people have been hit with long covid, through no fault of their own.

***Peter Schofield:*** I agree. It is not something that disability employment advisers are involved with, because the focus is on keeping people in work rather than people being in the benefits system already. But it is certainly something we should—

Q98 **Chair:** It sounds like you need to talk to this group, because—

***Peter Schofield:*** Yes, we would be keen to do that.

**Chair:** I think that's us done. I thank our witnesses very much indeed for coming. We look forward to seeing you again for your regular outing before the summer on fraud and error and other issues. I am sure we will pick up some of these issues then as well.

Can I put on record this Committee's thanks to the thousands of DWP staff in jobcentres? And I pay tribute to my own and particularly my own disability advisers locally. They have done such sterling work over the last 14 months. It's never all perfect. We as a Committee have a responsibility to challenge you hard about how you are spending taxpayers' money and how you are supporting people and achieving the ends you set out to achieve, so we want to keep you to task and we will be robust in doing that. But that does not take away from the hard work that your staff are doing.

***Peter Schofield:*** That is much appreciated. Thank you for those remarks.

**Chair:** Thank you very much indeed.