



Work and Pensions Committee

Oral evidence: The work of the Secretary of State for Work and Pensions, HC 514

Wednesday 7 July 2021

Ordered by the House of Commons to be published on 7 July 2021.

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

Questions 1 - 126

Witnesses

I: Dr Thérèse Coffey, Secretary of State, Department for Work and Pensions; and Peter Schofield, Permanent Secretary, Department for Work and Pensions.

Examination of witnesses

Dr Thérèse Coffey and Peter Schofield.

Q1 **Chair:** Welcome, everybody, to this meeting of the Work and Pensions Select Committee and particularly welcome to the Secretary of State, Dr Thérèse Coffey, and the Permanent Secretary, Peter Schofield. Thank you both very much for joining us.

There are lots of things we are keen to ask you about this morning. You have made clear, Secretary of State, for example, in your letter to us dated 26 March this year—and the Minister for Welfare Delivery made the same point when he came a couple of weeks ago—that, “This Government believe...that absolute poverty is a better measure of living standards than relative poverty”. Why do you take that view?

Dr Coffey: Relative incomes is a statistical measure, which genuinely just moves around. It is quite highly likely that once we are through the statistics that reflect the last year, we may well end up with relative poverty falling considerably. Trying to keep it real is more of the element there. The vast majority of the British population do not accept the concept of relative income being the driver of whether somebody is poor or not. That is shown by the British Social Attitudes survey. I understand the statistical reasons, but it is why I strongly believe it is not the right approach.



Q2 Chair: Among children, the most recent data for relative poverty, which is for 2019-20—so just before the pandemic—shows it at the highest level for 12 years, whereas absolute poverty has continued on a generally downward trend. Are you troubled by the rise in relative poverty among children?

Dr Coffey: I am conscious that in the 2016 Act we committed to keep publishing certain statistics. I don't know the reason why at the time the Government decided to keep relative in, given the direction of travel very early on by the coalition Administration in the 2010-15 Government was to move to focusing on the absolute poverty measure that we have. I am very keen that we do what we can to just improve general standards of income regardless and not necessarily base it on what many other people are earning. I think that is the best way of putting it.

Q3 Chair: Not long after he became Leader of the Opposition in November 2006, David Cameron delivered the Scarman lecture and he talked quite a lot about this point. Let me just quote a couple of the things he said in that lecture. He said, "In the past, we used to think of poverty only in absolute terms—meaning straightforward material deprivation. That's not enough. We need to think of poverty in relative terms—the fact that some people lack those things that others in society take for granted. So I want this message to go out loud and clear: the Conservative Party recognises, will measure and will act on relative poverty". Is the position that you are putting to us that the Conservative Party has reverted to its pre-David Cameron position?

Dr Coffey: I can't speak for David Cameron. I am not aware of that speech. What I do know is that when he was Prime Minister, the focus of the coalition Government was much more on absolute poverty. As I have indicated to the Committee before, it is interesting: the parts of the element that David refers to is about what other people take for granted. I think that is what drives aspects of material deprivation. People are concerned about what it is they feel that people should have and that is why the questions that are in there will be things about aspects, referring almost to quality of life. It is not just about whether you have a coat for winter, but some of the things that perhaps the majority of the population assume should be standard, like going on holiday or something like that. I can't account for David Cameron's change of views from 2006 to then the direction of the Government he led.

Q4 Chair: As you said, the Government have continued to publish—rightly, I think—the relative poverty data and you will continue to do that, I take it.

Dr Coffey: Yes. It is in the law, so we will obey the law.

Q5 Chair: Isn't the reality that the Government prefer the absolute poverty figures because they are less embarrassing?

Dr Coffey: No.

Q6 Chair: Let me move on and remind you that the Department committed



HOUSE OF COMMONS

in 2019 to developing a poverty measure based on the approach of the Social Metrics Commission. That initiative has now been suspended and you have told us that. When will you decide whether and when to resume it?

Dr Coffey: It was a decision made by my predecessor and I understand why she decided to work with the Social Mobility Commission. I have talked to this Committee before about how I had roundtables with other ministerial Departments and indeed that has been more formalised in an inter-ministerial group. We have been working in particular on tackling the cost of living, how we can address poverty that way, recognising that while there is an element of wanting to boost income for people, it is also about the costs going out the door and indeed financial stability.

Right now I think we are effectively working on policies. For what it is worth, we haven't come to a final decision collectively as a Government on what to focus on, but I think the pandemic has shown it is making sure—as we have shown in some of our policies, such as the local support grant, where the Prime Minister led from the front—that no child should go cold or hungry over winter. We have extended that. I think the funding is £429 million from the grants that we have been delivering, never mind the grants put in place by other Departments. Undoubtedly, as I have referred to before with Mr McCabe, I am very much focused on aspects of material deprivation in my approach, and we will need to come to a judgment soon on what is the best measure to help us keep that focus. Until we have come to the conclusion about what strategy we want to take forward, I am not intending any time soon to decide whether we will resume any work on the metrics referred to by the Social Mobility Commission.

Q7 **Chair:** The Minister for Welfare Delivery mentioned to us a couple of weeks ago the cost-of-living taskforce. Is that the—

Dr Coffey: It is now an inter-ministerial group, but that is just to bring in—as you will recall from your government days—a bit of structure to help it along.

Q8 **Chair:** You chair that group?

Dr Coffey: I do chair that, yes.

Q9 **Chair:** Is that the group that will decide whether or not to resume the work on the Social Metrics Commission?

Dr Coffey: No. To be fair, that is just one element of what I hope to be pulling together as a strategy—a plan—in order to try to improve tackling aspects of poverty and the cost of living. Then I think it will be a wider collective decision across government.

Q10 **Chair:** Can you just tell us about the remit of the cost-of-living ministerial group, what it is doing, how frequently it is meeting, what it has done so far and how long it has been operating?



Dr Coffey: We have been having the more informal roundtables for a while to try to stimulate some ideas and get some cross-government working. The sorts of things we have been looking at include the cost of utilities, and that covers a broad range of what existing support is there already, because we should recognise quite a lot already happens, like the Warm Home Discount, for example, which automatically goes to a couple of million people, I think. We have made improvements within DWP, working with the electricity companies in particular, by making sure that some people get that automatically. I think nearly 1 million pensioners got it without even having to apply for it.

The other sorts of aspects we are looking at will be what you would expect to be the main aspects of cost of living. There is wider work across government on understanding how best to tackle some of the challenges around childcare as well as the costs. We have been looking at a variety of topics, pulling in people from several Departments, but principally BEIS, DCMS and MHCLG—the territorial offices have all been represented as well—in order to look in the whole about how we can work more as a system across government in a holistic way to see what we can do on tackling the cost of living.

Q11 **Chair:** Going back to the question of relative versus absolute poverty, if society as a whole becomes more prosperous, shouldn't we expect the incomes of the least well off to rise as well? Isn't that the point that is captured by the relative poverty measure and why David Cameron argued for focusing on that measure rather than the absolute measure, which assumes that there is a point in time when poverty is determined and a subsequent increase in society's prosperity doesn't affect it?

Dr Coffey: The absolute value was locked in as the relative kind of baseline and then it was adjusted and has continued to be adjusted in effect for inflation, so I do—

Chair: Not for rising living standards. That is the point, I think.

Dr Coffey: Yes. I do understand why there are people who are very favourable towards relative. I have tried to set out my reasons why. As I say, it is largely supported by 87% of the British population in the social attitudes survey. They just did not see that the proportion of somebody's earnings, 60% of median earnings, automatically meant that somebody was wealthy or not. I would suggest to you that in the past it has probably led to some quite odd or very targeted, I would say, approaches, changes to tax credits coming through, which might just shift a few more people over the line as opposed to perhaps dealing with the constant challenges that face people in the very lowest element.

If you think about previous Secretaries of State—I am sure that you will refer to them in another context fairly soon—probably one of the big debates that happened was when Stephen Crabb, who I think had the shortest amount of time in office, was in very active debate about where it is that we are going to focus our efforts. Then we saw a bit of change in



HOUSE OF COMMONS

approach, as it were, and perhaps under the May Administration it was about looking after the lowest 80%, not just the lowest 20% of the population in terms of income and how we could work towards that.

Overall, I think with the general push since 2010, initially under the coalition and since, we have been trying to raise things like take-home pay. We have been increasing the National Minimum Wage. That is aiming towards 66% of median earnings. I think we have managed to get over the 60% for this financial year and have indeed increased eligibility, so it went to 23-year-olds-plus. I think the strongest thing has been about how we can increase the take-home pay by increasing the tax thresholds. That is why, as you will be well aware, well over 4 million people don't pay tax at all, compared to 2010.

I would suggest that we have been trying to use a variety of levers to help people's actual net pay be substantially higher, in a different approach from perhaps what has happened in the past, where there was probably a lot more investment put into things like tax credits and similar, which effectively topped up low wages.

Q12 Nigel Mills: Secretary of State, could you just update the Committee on the £20-a-week temporary uplift in Universal Credit and what your plan for October is in relation to that?

Dr Coffey: Ahead of October, we will start communicating with the current claimants who receive the £20 to make them aware that that will be being phased out and they will start to see an adjustment in their payments. I think it kicks in largely in October, but it will start to kick in towards late September for some people. The current proposal is that we will be recognising that this was brought in in line with the temporary measures to support people during the Covid pandemic. It is being phased out, in line with all the other temporary measures that are also being removed.

Q13 Nigel Mills: You are resigned to the fact that the Treasury won't be giving you the money to continue this for the rest of the financial year. At least you are not even asking for that and making submissions, you are just accepting that, is that fair?

Dr Coffey: A collective decision was made within government to make sure that that £20 uplift was extended for the six months. That is being honoured, but the collective decision was made that as we see the economy open up, we shift the focus strongly into getting people into work and jobs. We will also be helped by considering some of the proposals coming out of the independent commission looking into in-work progression, because that is an important part of how we help people get up the careers ladder—all the things that we can do to help people work more hours.

As we see more and more people come off tax credits and on to Universal Credit, we will no longer have the 16-hour cliff edge. We are discussing



that with some of our major employers across the country, who had redesigned a lot of their work contracts to fit with the 16 hours. It is about making them aware, and indeed people on tax credits aware, that they won't have that barrier anymore to going beyond the 16 hours and it having such a negative impact. We will keep working through on how we try to help people get more out of work.

Q14 Nigel Mills: That sounded like a yes to the question that you are not even lobbying or making submissions. Are you seeing different conditions then for people who have become claimants of UC during this pandemic—that their situation is now much different from what it was in February/March time when the extension was made? Are you seeing data that those people are now flowing off UC or their UC claims are going down because they are earning more and you have evidence that there is a different economic position that justifies a different response?

Dr Coffey: I think the peak time that we had people on the intensive work search was in March this year, when we had just under 2.5 million people at that point. The latest we have is about 2.1 million people, recognising there are still about 750,000 vacancies, so I recognise there is a difference there. By the way, with the intensive work search caseload, about 10% of that will be people who are working, but don't work that many hours, so they are kept in that intensive work search group in order to help them increase their hours.

But in terms of work volumes, we are seeing people regularly go off UC every week. The latest data I have is only from March this year, so that was indicating about 136,000, but just by using UC admin data we can see it starting to improve. Clearly there will be opportunities furthermore if the Government make the decision next Monday that we move into step 4 of the roadmap on 19 July. I don't know if Peter wanted to add a bit more.

Peter Schofield: Yes. The ONS, with its latest labour market statistics, indicated that although the quarterly vacancy level was just below the pandemic peak, I think their senior leader, Sam Beckett, said in the press conference said that the actual May position in terms of vacancies is above the pre-pandemic peak, so well above 800,000 vacancies. As the Secretary of State says, we are seeing quite significant falls out of the intensive work search group within Universal Credit. It has been a steady reduction since that peak in March. As the Secretary of State says, it is now down to around 2.1 million and every week we are seeing quite significant reductions from that.

Q15 Nigel Mills: Thank you for that. When we had the session with the Minister for Welfare Delivery, one of the officials he had with him set out that one of the main justifications for the uplift was the people who had newly flowed on to Universal Credit at the start of the pandemic were still there and would struggle to survive on the original level of UC. Do you have data that suggests that those people, who were one of the main drivers of this change, are leaving UC in substantial numbers? I think the



HOUSE OF COMMONS

Secretary of State just said the last data she had was March, which was before the extension of the temporary uplift, which isn't all that helpful, but you have—

Dr Coffey: The reason for the lag is that you need enough time to get a reliable figure coming through that people are earning and getting on to PAYE, that you are getting RTI. That is why there is a lag on that sort of assessment.

Peter Schofield: There are two things. One is the into work measure, which looks at whether someone has moved into work and is securing earnings over a sustained period of time, as the Secretary of State says. That is one thing. That is where the lag is, but then the more immediate data are just how many people week by week are in the intensive work search group, and we get that quite immediate data. The 2.1 million figure that the Secretary of State gave, comparing that with the 2.5 million in March, I think that is end-of-June data.

Q16 **Nigel Mills:** I am just trying to get my head around the fact that you introduced a solution to address a problem and then we remove the solution, but we don't know whether the problem has gone away because we don't have the data in time to know that the situation we were trying to fix has changed or not. Is that a fair summary? So we decided in early July, based on data from March, that the temporary uplift we put in place at the start of April isn't needed from October. Is that a fair summary of the position?

Dr Coffey: I would say, Nigel, that the decision was made and was announced by the Chancellor in the Budget. If we go back to that time, we were in the middle of a situation where certainly a lot of our economist friends were predicting almost 12% unemployment and we did not know quite the situation that people would be facing about getting back into work. With the number of restrictions that we were putting into place, some people just could not work anymore. That is not going to be the case or it hasn't been the case for quite a while. It is certainly not going to be the case once we get into step 4 and we can genuinely open up and fill those vacancies and help people get back into work. A lot of effort has gone in with the support through the furlough scheme, which has been a significant cushion, and while there are still about 2.4 million people on the furlough, certainly that has been a buffer for a lot of people. To some extent you saw that with the temporary £20 uplift.

Q17 **Nigel Mills:** Are you sure this will work for young people who have been particularly affected by the pandemic, given all of the jobs that they do are in sectors that have been worst affected? They obviously lose the highest proportion of their UC income if the uplift does disappear. You are confident, are you, that for young people in that situation, those sectors will be back fully open and fully recruiting and they can all recover the jobs that they have not had during the pandemic?



Dr Coffey: There are now more vacancies in hospitality than there were pre-Covid. I think there is a different challenge for the retail sector. While I am not the business secretary, undoubtedly there has been a substantial change in people's shopping habits. However, when we have opened up the economy, people have been going back into the physical version of shopping, partly as an aspect of entertainment as well, but certainly we will keep a close eye on working through that. That is the reason why in the Plan for Jobs we have been encouraging people to consider swapping careers in terms of some of the different programmes that we have had.

Where there are vacancies, the SWAP scheme has been rather effective and we are certainly seeing some benefits from the version of the Work and Health Programme that we call JETS, and that is certainly delivering more than what was expected from that scheme. Quite a lot of this is about encouraging people—particularly in some of the sectors where we don't anticipate the same level of recovery quite so much—to consider some alternative careers, even if it is only on a temporary basis.

Q18 Nigel Mills: With all this good news you are giving us, do you now think that the cost of the uplift would be quite a lot less than the £6 billion a year that was estimated at the start of the year? Presumably if there are many fewer people claiming it or they have higher earnings and they are losing more of the UC on the taper, that cost will be coming down quite substantially, won't it?

Dr Coffey: As you can appreciate, that will be quite a dynamic calculation. There will be modelling on top of modelling on top of modelling. I think that the fair thing to say is that collectively, as a Government, we have taken the approach to invest in the Plan for Jobs, recognising that some of the restrictions that we put in place will be at an end and therefore shifting the investment in a different way.

Q19 Nigel Mills: It sounds like this is a dates-not-data decision. We have chosen to end this at the end of September and we are not going to review that based on the data at all, we are just going to assume it will all be okay. That seems to be a pretty fair summary of what you are saying, "We do not have any data yet that we don't need this uplift, but we are going to take it away regardless, because that is what we planned in the Budget".

Dr Coffey: It is not in any way assuming everything is going to be okay, but it is why we have doubled the number of work coaches, the different programmes we have invested in and are investing in. We are also not putting our heads in the sand. We have just started the Restart programme, which is a long-term-unemployed programme. We are forecasting it will last for three years. We are expecting 1 million people to take advantage of that. We are not trying to pretend everything is going to work out for every individual, but that is why we are investing in people. That in itself is a £3 billion programme, so we are in it to try to help people get back on their feet.



Peter Schofield: Can I add to that? The stated reason for the uplift was to support people as they were adjusting to the economic shock caused by the pandemic. As the Secretary of State says, the focus now is on investing in helping people back into work. As I travel around the country—and I have started doing that again now—visiting jobcentres, the opportunities that are there, not only through the vacancies but also through opportunities like Kickstart and the jobs that are being created, mean that it is just absolutely worthwhile all our effort in bringing young people into jobcentres to link them up to those opportunities. That is where our Department's focus is, and the opportunities are there.

Q20 **Nigel Mills:** I am not suggesting that you reduce any of that effort, I was just wondering why you were not asking the Treasury to give you some extra money to keep this uplift in place, which I think would supplement those efforts and would help people ride out the rest of the economic shock from the pandemic as the economy reopens and we all recover.

Might I just switch to a slightly different topic, Secretary of State? People will lose the £20 a week, probably in October, but will still have to pay off all their old tax credit debts. Have you made any further progress or had a further change of view on how we can improve the situation so that people aren't bringing these debts through with them when they move over to UC from tax credits? In many cases, they are debts that they didn't know existed and that haven't been chased for quite a few years.

Dr Coffey: I do encourage HMRC to be proactive about making sure that the annual calculations are realigned and proactively focus on that money that may be outstanding at that point. There is an aspect of the shift that happens and recognising that tax credits—

Q21 **Nigel Mills:** Is that happening, Secretary of State? Is the Department changing the processes, making people aware of it and collecting it while they are still on tax credits, or is that not something that has changed, despite your urging?

Dr Coffey: I don't pretend to have the administrative data for HMRC on that. It might be that the Committee wants to write to HMRC on aspects of that, because it is operationally responsible. But I think what is fair to say, given the way tax credits work, it is always in effect an estimate at the beginning and then a retro calculation. I think the statements are going out this month or have started going out, so there is just this kind of annual shift. As a consequence, when people move on to UC, quite often they won't have necessarily a sense of whether they have been overpaid or underpaid in tax credits and then it crystallises when it comes over.

In terms of very historic debt, I am very keen for HMRC to be much more on the front foot about how it manages that debt. I think there is just always going to be an element that when people move mid-year, as it were, that that will always perhaps come as a bit of a challenge. Nevertheless—



Q22 **Nigel Mills:** Do you think that historic debt should be written off if it is that old and hasn't been chased?

Dr Coffey: I am trying to recall some of the discussions that we have had off the top of my head. The majority of debt that gets transferred, if you like, or the overpayments that have happened through tax credits, are much more recent than historic, but I don't know the precise processes on how HMRC has gone about trying to resolve those longer-term debts.

Peter Schofield: The Secretary of State is right; very little of the debt that is transferred is more than two or three years old and a lot of the debt is related to the overpayment that has been made in-year, because of course with tax credits you only adjust the payment annually, so there is a recovery of any overpayment that has been made since the previous adjustment.

The other thing I was going to say, which the Committee will be aware of, but just to remind the Committee, is the change that we made in April to the cap on deductions from Universal Credit for things like recovery of debt and payment of third-party deductions and also extending the amount of time that people have to repay in advance to 24 months from 12 months, all of which has helped to support people who are paying debts or paying third-party deductions through Universal Credit.

Nigel Mills: You say very little of the debt is more than two or three years old. Would you agree that anything older than that should just be written off? Is that a position you would like to see? Would that help people coming on to UC get all the advantages and benefits that we hope they can get by being on that system?

Dr Coffey: I think it would be better for citizens if that historic debt was more proactively managed. I think that is fair to say.

Q23 **Nigel Mills:** Are you getting encouraging noises from your colleagues in the Treasury who supervise HMRC that that is being actively considered?

Dr Coffey: To be fair, HMRC is a non-ministerial Department. I know it has a very close relationship with Treasury Ministers, but there is a significant amount of independence that a non-ministerial Department brings. In fact, it is the first time ever, with the Coronavirus Act, that I am aware of that Treasury Ministers have had a power of direction over HMRC.

Q24 **Nigel Mills:** But a change of policy to write off old debt would need to be a ministerial decision, not a non-departmental body decision, wouldn't it?

Dr Coffey: That is one of the finer points of the constitutional arrangements of non-ministerial Departments. I am sure expressions of interest can be made, but ultimately, for a non-ministerial Department, it comes down to the board.

Q25 **Nigel Mills:** Do you think we need to explore that with the Treasury



Minister rather than you? Is that a fair place to end this?

Dr Coffey: Yes, that is a very good way of interpreting that.

Q26 **Sir Desmond Swayne:** There is a belief that for some claimants the minimum income floor has the opposite effect to that which is intended. I think it was Amber Rudd who told our predecessor Committee in February 2018 that the Department was going to do two quantitative studies to look into behaviour and the impact of the minimum income floor on its client base and that the evaluation would be published, anticipated in 2019. We have had nothing yet. What is the prospect of seeing something before the minimum income floor is reintroduced?

Dr Coffey: I am not aware of the evaluation to which you refer. I will have to look into that. We are very clearly going to be trying to get back to business as usual. There are just under 500,000 people who are self-employed claiming UC. We have a process in place and will be laying the appropriate regulations soon to start to allow that to be a phased approach rather than a cliff-edge approach, recognising the work that needs to be done in doing the gainfully self-employed test and those conversations there and the scale of people currently claiming it.

I think the principle of the minimum income floor was put in place to try to get a sense of whether somebody can viably run a business. It has that 12-month gap at the start. I think it was a sensible approach. I am very conscious that after the financial crisis, when unemployment surged, there was a big push by the coalition Government to encourage people to consider becoming entrepreneurs and this was deemed a way to help with that. Sir Desmond, I will look into what may have been commissioned by my predecessor.

Q27 **Sir Desmond Swayne:** What does the Department know about the impact of the minimum income floor on the lowest income self-employed, and in particular on disabled people and single-parent families, for example?

Dr Coffey: I don't know the answer to that. What I do know is that pre-Covid about half of people failed the gainfully self-employed test. While I am keen to encourage people to consider setting up businesses—and that is part of this minimum income floor—people may need to do substantial employed work as well as perhaps developing self-employment. We give people in effect a breathing space opportunity to do that. I think that is a reasonably balanced approach.

Peter Schofield: Just on the review, you will be aware that the Minister for Employment answered a PQ quite recently confirming that no review on the suspension of the MIF had been carried out.

Dr Coffey: Okay, right. Thanks, Peter.

Q28 **Selaine Saxby:** Good morning. The number of job vacancies has rapidly increased since the economy has opened up. However, the number of UC



HOUSE OF COMMONS

claimants does not appear to be coming down at the same rate. Does this mean that people on UC are now not looking for work? Given there are so many job vacancies, particularly in hospitality, what is being done to address it, as we have businesses closing where they can't get staff and yet benefit claimants seem to be up dramatically on pre-pandemic levels?

Dr Coffey: If I focus on hospitality, and I am conscious that you represent a coastal seat—so do I—we always look for how we can help people take advantage of those opportunities, I know that the Minister for Employment set up a roundtable with UKHospitality. A lot of targeted work has been done to try to make sure that vacancies are properly advertised so that people are aware. I think there is also an element about working with some sectors, about recognising that not everybody—say if you take chefs—is going to be in a position to perhaps do the full 12-hour days that were traditionally expected. We want to work with employers to help them consider perhaps having more flexible or part-time work to recognise what talent is there, but may not be able to fit the exact job specification in terms of their commitments, whether that is about children or family or any other situation.

More broadly, we reinstated the face-to-face interventions and we have focused it primarily on young people initially. To give you a sense, although jobcentres have always been open throughout this pandemic, with a particular focus on people with vulnerabilities who could not access elements, we were still doing 500,000 phone calls at that point. We only had just under 15,000 people come through the doors in that first week when we threw them open again. I think it was last week we had 250,000 people come in and do a face-to-face intervention. All the evidence suggests that the face-to-face intervention definitely drives job applications. What we are seeking to do with our work coaches is to try to help people get into work, whether that is encouragement and advice or whether it is about helping them tailor their job search more clearly. It is reinstating aspects of the claimant commitment to make sure that is relevant and now recognising that we are so close to step 4 of the recovery roadmap.

Peter Schofield: Just building on that, Ms Saxby, you raised a question about the data and the statistics and a kind of mismatch. The National Audit Office did a report on our employment support schemes and I gave evidence to the Public Accounts Committee on that back in June. One of the questions was around some of the data issues that we are seeing. By and large, vacancy data is one thing. I think the main area that we have been looking at is whether there is any mismatch between the increase in the number of people on payroll, so that is HMRC data, and what we are seeing in terms of the intensive work search group.

By and large, through most of the pandemic those numbers have gone in line with each other. More recently there has been a detachment. We had seen quite a big increase in payroll data and not the same reduction in Universal Credit claimants, though as the Secretary of State said in



answer to an earlier question from the Chair, we have now more recently started to see a reduction in the number of people in the intensive work search group, so that is now down to 2.1 million, when back in March it was around 2.5 million. That is quite a big reduction in that portion of the Universal Credit claimant number.

The real focus, as I said earlier, in our Department is now filling those vacancies, and getting young people in. As I say, we are now at a point where 250,000 people are coming in to jobcentres—being invited in for interviews with work coaches face-to-face. That is on top of interventions that we do over the phone. All of that is around linking individuals to those opportunities, whether they are the jobs and vacancies or whether they are opportunities like Kickstart.

Q29 Neil Coyle: The NAO previously reported that fraud and error on Universal Credit was the highest for any benefit ever introduced in the United Kingdom, with an error rate of £1 in every £10 spent. In May, the Department revealed that you had exceeded that dreadful record and reached an error rate of £1 in every £7 spent, but even that figure excludes Universal Credit loans. Why is advance fraud and error excluded and what is the full total?

Peter Schofield: If I answer that—

Dr Coffey: I know you are owed a letter by the Minister for Welfare Delivery, which should be getting to you today, I hope, which may add a bit to this as well, but over to you, Peter.

Peter Schofield: As you say, Mr Coyle, we saw an increase in fraud and error in Universal Credit. It went from 9.4% to 14.5%. No doubt you will want to drill into the reasons for that. We are about to publish—

Neil Coyle: That is not what I asked, no. I asked why is advance fraud and error excluded and what the total is.

Peter Schofield: I was going to get on to that. The reason why we don't include it is because of the way that we measure fraud and error. We take a sample and we look at individuals in terms of what they are entitled to and what they are receiving in a steady state basis. It is a sampling approach that has been approved by the National Audit Office. That is the way we do—

Q30 Neil Coyle: The National Audit Office has asked the Department to clarify how it records this. How will this fraud and error be recorded? Will it be in the annual report and accounts?

Peter Schofield: We will be saying more in the annual report and accounts. I have talked to the Committee about this before—and I am sure you were there as well, Mr Coyle—about some of the ways that we assess advances fraud. There are two particular measures that we focus on. One is using our analysis of high-risk transactions. Using our data and analytics we are able to assess quite well whether a transaction, given



HOUSE OF COMMONS

the nature of the transaction, is likely to have been a false advance or an abuse of the advances system. I think we will be publishing the data in the annual report and accounts.

Neil Coyle: You think you will, or you will?

Peter Schofield: The annual report and accounts are being reviewed by the departmental Audit and Risk Committee tomorrow, so I won't prejudge that. Anyway, in the annual report and accounts we will be talking about where we are in terms of the proportion of those high-risk transactions and what has happened to them. They reached a peak in May 2020 and they are way down on that. The other measure that I have talked to this Committee about is the number of those transactions that are suspected by staff and referred to the enhanced checking service. That again reached a peak in May 2020 and is now right down again. I think on that number—

Dr Coffey: It was about 40,000 referrals in May last year and it is less than 1,000 a month.

Q31 **Neil Coyle:** You say you are doing quite well. When do you expect fraud and error to drop to the already dreadful rate it was pre-pandemic?

Peter Schofield: Again, I gave a little bit of evidence on this to the Public Accounts Committee on 17 June. We will say more about this in the annual report and accounts, but there are two things that have gone on in terms of driving that number up from 9.4% to 14.5%.

As we discussed in this Committee when I was here in October, one was the easements that we had to put in place. We were unable to do face-to-face initial evidence interviews during the height of the pandemic. Although we were able to put mitigations in, there was a period where those mitigations were not as effective as they proved later to be. During that period, we have had people who have gone through the system, where we weren't able to check the normal identity and documentation. We are currently doing a retroaction piece. We are looking at 900,000 cases. I have 1,400 people on this at the moment working through those cases. We know the cases because we marked them at the time we paid them, and we are working through those. That is a relatively short-term change, and is something that we can make good progress on. We will have finished that work in September.

The second element is what we saw in terms of the composition of claims during the pandemic and over the last year, which may be a longer-term trend rather than a pandemic issue, but we saw it as the number on Universal Credit moved from 3 million to 6 million. That is a significant increase in the number of people who have capital and the number of people who are self-employed. There was a doubling in the proportion of the number of people who had capital and a doubling in the proportion of the people who were self-employed.



HOUSE OF COMMONS

If you look at where that increase came in terms of going from 9.4% to 14.5%, it was basically entirely from fraud and driven by additional fraud from people who were self-employed and people who had capital. How do we address that? That is a much longer-term thing and I am absolutely determined to drive that out.

Q32 Neil Coyle: So you will be updating the forecasted savings on this issue to reflect that, will you?

Peter Schofield: I will be updating this Committee on the numbers as we make progress on it. Absolutely, of course I will.

Q33 Neil Coyle: It has taken nearly eight weeks to get a response to that letter from the Committee, but you are saying it is coming today, I am sure entirely by coincidence. Are all nine questions the Committee put being answered in detail?

Dr Coffey: It is on that point that I saw the letter, and I said I wanted some slightly more substantial answers to be returned.

Neil Coyle: So we are getting substantial answers today?

Dr Coffey: That is my expectation.

Peter Schofield: It will be worth the wait.

Q34 Chair: Thank you very much. Can I just put a point to you? We gather that managed migration to Universal Credit is likely to resume next April. I wonder if you can confirm if that is the intention. When do you now think that migration to Universal Credit is going to be complete?

Dr Coffey: It is absolutely my intention to drive to get it complete to what we said it would be, which is by the end of 2024.

Chair: You don't expect any slippage on that date?

Dr Coffey: I will be holding my Ministers and my officials to account very specifically.

Q35 Siobhan Baillie: On the transition from legacy benefits to Universal Credit, I have a constituent who was very frustrated by the lack of ability to get an uplift because he was on the legacy system. When I was saying, "Look, let's investigate what your benefits would look like, what your money would look like if you did go on to Universal Credit" we have found no ability and nobody that is able to help us to do the calculations with him because he receives PIP. I found that very difficult, because he wanted to be informed so he could make that change. We are encouraging people to make the change, but I thought that was a bit strange. Do you have any views on that or whether you have seen it elsewhere?

Dr Coffey: Certainly we have been promoting benefit calculators, organisations like Turn2us, also through the Help to Claim service I would expect people could consider approaching CAB or CAS in order to make



HOUSE OF COMMONS

an informed assessment. The Department does not get into trying to predetermine exactly what the UC entitlement would be and that is why, but we have worked proactively. I know Will has done a lot of work to try to make this more informed.

Q36 Siobhan Baillie: If you could take this back, because we really struggled and obviously my team are used to dealing with Help to Claim and CAB. This guy, I think it is difficult for us to suggest that he should change without having a calculation on what that would mean. I take your points, but if you could take that back, it would be helpful. Thank you.

Dr Coffey: Can I suggest, Siobhan, that you might want to write to Will Quince? I am not saying you will get an answer on aspects, but he might be able to point you very clearly in a different way on benefits calculators.

Siobhan Baillie: Thank you very much.

Q37 Chair: Secretary of State, pursuing this point a little bit further, you wrote to us on 16 April and said the Department was exploring an approach to encourage those who will benefit from moving to Universal Credit to do so voluntarily. Can you tell us a little bit more about how that is progressing?

Dr Coffey: I think it is fair to say a plan is being pulled together, although perhaps not quite as quickly as I would like, and the Perm Sec knows that. In essence it is about trying to find a few pilot areas of where we proactively work with a number of, if you like, trusted independent third parties, because I am conscious that when people make that move, you don't go back. It is not about cherry-picking which benefits are better for you. Parliament voted to move to UC several years ago now and that is what we will fulfil.

It is fair to say it is about trying to segment the legacy benefits into working through, whether that is aspects of HMRC or, as I say, trusted third parties, and helping people go through that process—to some extent what Siobhan has just explained. I think by those sorts of feedbacks that Siobhan has just given us, we can try to make that voluntary move to UC a much smoother process. Peter, I don't know if you have the latest on where we are with that.

Peter Schofield: What we want to do in the first phase is encourage those who would be better off if they moved to Universal Credit to move over. In order to do that we are working closely with third parties, stakeholders and organisations that have relationships with our claimant community and working through with them what is the best way to do that to help them understand the nature of the calculation and help them understand whether they would indeed be better off. That is something we want to do very much in partnership.

We have had a series of engagements with quite a number of stakeholders. There was a big meeting in March with well over 70



HOUSE OF COMMONS

stakeholders there. I think it was welcome, wanting to work in partnership with them, because that is the first stage. We want those who would already be better off to move over and move over quickly. That then means the focus of the Department in terms of the managed migration move to UC phase will be on those for whom we have to calculate transitional protection as part of the move.

Q38 Chair: Are there some milestones ahead that you can inform us about, where we could see how this is progressing?

Peter Schofield: As the Secretary of State says, we are developing a plan and the plan has two phases. Phase 1 is around the voluntary move, which we intend to start in earnest later in the year, after the autumn, and through next year. Alongside that, we will build on our experience in Harrogate, although obviously the pilot there had to be paused because of the ending of face-to-face work. It is working out how you then engage with individuals for whom we have to work out transitional protection with a view to reaching a scale on that solution in 2023 so that then we can use the rest of 2023 and 2024 to drive forward at scale and complete the work by the end of 2024.

Q39 Chair: When might that plan be available for us to have a look at? We would be very interested to see it when it is completed.

Peter Schofield: You can imagine there are lots of people in government who want to review that first, but I am very happy to write to the Committee when there is a plan that we are ready to share.

Chair: September/October—that sort of time, do you think?

Peter Schofield: That may be too optimistic, but I can happily keep you in touch.

Chair: By the end of the year?

Peter Schofield: By the end of the year? I am not going to commit to a calendar year or financial year so quickly.

Dr Coffey: I would certainly hope that is possible.

Chair: By the end of the calendar year?

Dr Coffey: I would certainly hope that is possible.

Chair: Splendid. Thank you very much.

Peter Schofield: The Secretary of State has twisted my arm.

Q40 Steve McCabe: Good morning. I would like to ask a few questions about face-to-face assessments for disability benefit claimants. I think you are just beginning to restart those now. At the moment, what proportion of claimants are currently having face-to-face assessments compared with people who are having paper-based or telephone assessments?



Dr Coffey: As we step through the different steps, we are taking a risk-based approach. Certainly there has been advice and we are taking our plan through with advice from the Deputy CMO on how we press on with this. I am just thinking off the top of my head, Peter, how many have gone through. If any at all, it will have been a very small number. I think the invitations have just started going out, encouraging people to come in. In particular, Stephen, I think it is fair to say there are some benefits that can only be issued by a physical face-to-face intervention and in particular I think that is the industrial injuries one. I think we need to make sure that we prioritise where people are currently not receiving a benefit to which they may well be entitled in the face-to-face phase or rephasing, as it may be.

Peter Schofield: Yes, there were two milestones. One was 12 April when we restarted some face-to-face for some industrial injuries claimants and types of industrial injury benefit where face-to-face was necessary, then 17 May we restarted it more broadly for health assessments. But the key thing to get across is the bulk are still telephony-based. We are focusing in on the face-to-face capacity, particularly for those customers for whom telephony-based—it may be a hard-of-hearing issue, for example—doesn't work for them.

What we have been doing a lot over the last year is learning how to do telephony-based and make that effective and work for the process and work for the claimant as well. That has been, we think, by and large relatively successful. The balance is still in favour of telephony. The face-to-face is being reserved for those for whom that is the best way of assessing their claim, with obviously paper-based and in-house triage also being a key part of the mix.

Q41 **Steve McCabe:** I am aware from my own constituency office that some people were being told—I don't think this was just industrial injuries claims—that they couldn't have an assessment over the phone or paper-based, but they would have to wait for a face-to-face assessment. Is there a backlog at the moment?

Dr Coffey: Yes, there is.

Q42 **Steve McCabe:** Is it possible to put a figure on that?

Dr Coffey: I think it depends on which particular benefit it is. At the moment, just taking industrial injuries, that is—

Steve McCabe: I am thinking mostly about PIP and ESA.

Dr Coffey: I am just having a look. On ESA claims, we do have a backlog. I think there are about 15,000. We are estimating to get through the backlog by September 2021. Let's be open about this: the scale of the backlogs is more about PIP and the challenges that we are facing there. Some of these challenges were there prior to Covid and that is a significant scale. We are working across government through the new



HOUSE OF COMMONS

Cabinet Committee process that we have about tackling backlogs, which has already seen some benefits.

We are now working very proactively with NHS recruitment partners in order to help our providers with where we need assessors to do a functional assessment. We are starting to see people coming back in to do these functional assessments, whereas understandably a lot of them responded to the call to go and help tackle Covid back in the NHS. That is where very proactively our Department is working, as I say, in partnership with others about how we tackle some of these substantial backlogs and that is going to take quite some time to recover.

Q43 Steve McCabe: I know you were keen to gather feedback from users and to learn from the changes that you made, particularly the suspension of the face-to-face assessments. What have you learned from that exercise so far?

Dr Coffey: There is an element about telephone assessments. I believe this is true for doctors with their telephony GP appointments, that they are taking slightly longer to do because people are almost going through far more of the questions and recording aspects of that. But in terms of assessment of outcomes, it is pretty parallel in terms of how many awards or what percentage of awards are granted. It is useful. I think one of the silver linings of what has been horrific about Covid is it has accelerated our testing of a multichannel approach in how we do some of these assessments. If I give the example perhaps of trying to make assessments of psychological situations, trying to perhaps have assessors almost in any part of the country who can interact with our claimants, I expect there will be a positive outcome in how we tackle some of these issues.

Peter Schofield: Building on that, what we have found is that because the assessor is not seeing the individual face-to-face, they have to ask better questions and they have to get to the heart of the issue that is affecting the individual in terms of their daily living. They can't just make judgments on what they see face to face in a snapshot of the meeting that they have. That seems to translate into better quality reports from assessors. It is difficult to tell whether the outcomes are different because just the world is different through Covid, but certainly, as the Secretary of State says, there doesn't seem to be any significant change in terms of the proportion getting through and getting the benefit as a result.

Dr Coffey: As you can imagine, the Treasury is keen to see more evidence on that.

Q44 Steve McCabe: I bet they are. Do you have any plans to allow people to choose? I heard what you said earlier about industrial injury claims, but for other forms of benefit, do you have plans to allow people to choose the assessment format they might prefer or find easiest to manage?



HOUSE OF COMMONS

Dr Coffey: I don't think we are at that point yet. We are hoping the Green Paper will be out fairly soon and there will be elements in there that kind of, as I say, put out ideas considering assessments and improving the experience that people have. I think I am right in saying we did a little bit of focus group work, where prior to having had an assessment the majority of people were still very keen to do a face-to-face assessment. I think then people having done an assessment, that somewhat switched. I am not saying by huge sums, so we are not at that stage yet.

Q45 **Steve McCabe:** I think one of the explanations that was offered for the higher rates of overturn at appeal was the frequent errors that were made in the contractor's face-to-face assessment reports. Isn't that right?

Peter Schofield: No, as I say, quality is much improved, but just to manage expectations on the opportunity for claimants to make a choice, the big challenge we have now, as the Secretary of State said, is getting through the backlog with the relative shortage of health assessors, for the reasons the Secretary of State has said. In order just to drive that through, we can't have a number of health assessors waiting for someone to choose to do it over the phone or face-to-face. We have to manage it in as productive and as efficient a way as we can. But as the Secretary of State says, the Green Paper wants to look at ways we can improve the whole assessment.

Q46 **Steve McCabe:** I get that, but presumably if you are doing it paper-based or by telephone that could be more efficient because you could have your assessor anywhere in the country.

Peter Schofield: Yes, it is. If someone said, "I want to come in face to face", then suddenly you have to make sure you have the facilities available for the exam.

Q47 **Chair:** On the question of the timing of the Green Paper, when you came to speak to us in February you said you hoped to be out by the end of March. This morning you said it will be out fairly soon. Are you able to be any more precise about when that will appear?

Dr Coffey: I cannot be more precise. I am genuinely hoping it will be very soon, but I will not pretend it is imminent, like in the next day or two.

Q48 **Chair:** It could be after the summer now?

Dr Coffey: I genuinely hope not, and I do not expect it to be. As you can imagine, we are keen to update Parliament as soon as possible once it is fully agreed across the Government.

Q49 **Shaun Bailey:** Our predecessor Committee noted that in 2018 claimants were to some extent lacking trust in the PIP process, partly due to what they felt to be errors. Mr Schofield, what are you doing operationally to



HOUSE OF COMMONS

ensure that claimants can trust the PIP process?

Peter Schofield: There is a lot of focus, as I said earlier, on the quality of the assessment that is being done. The assessors have to fulfil a quality assurance process that we do on the quality of the reports they write.

We have talked in this Committee about the opportunity for claimants to have a recording of their assessment. Going back to the conversation with Mr McCabe a moment ago, one of the advantages of a telephony-based approach is that it has been easier for us to put recording arrangements in place. It is for the claimant to opt in. It is up to the claimant to decide if they want to do that. We now can record routinely telephony-based assessments as well.

Dr Coffey: On our customer satisfaction, about 81% of people are satisfied with the PIP process. I recognise that that may not be as high as some of the other benefits, and it is certainly a lot higher than child maintenance because we are often between two fighting parents. But four out of five being satisfied is still reasonable. Of course we would like to get to 100% if we could.

Peter Schofield: Complaints are under 1% on PIP as well.

Q50 **Shaun Bailey:** You touched there, Mr Schofield, on recording PIP assessments. As a BAU practice, this has become relatively new this year. If we think back to the exchange you had with Mr Coyle, would it have made sense from the outset as a BAU practice to record assessments, not just PIP assessments but perhaps also things like work capability assessments? What is the Department's thinking now about recordings becoming part of a BAU practice?

Peter Schofield: You have been able to have a recording of work capability assessments routinely since the last time we renewed that contract on that side. It is now business as usual as well for telephony-based PIP health assessments. For whatever reason, it is more technically difficult in terms of face-to-face. We are trying different ways of doing that, restarting some of the trials we were doing pre-pandemic. For telephony, audio recordings are now business as usual.

Q51 **Shaun Bailey:** Have you done any impact assessment in terms of offering recordings and how that will improve your audit overall of the quality of the assessments that you are undertaking and also in terms of fraud and error? Have you done any of that assessment at all?

Peter Schofield: We have not yet done any assessment of it because, as I say, it is a relatively new thing to have rolled out. But recording does help us when a customer wants to make an appeal. There is more evidence available that they have. We find more broadly that routinely recording calls helps us to assess the overall customer experience situation. This is not a PIP assessment point but a broader point. As part of our customer experience, we use speech analytics to enable us to



understand those situations where something is going wrong in a call. We can do quite a lot of analysis and identify trends, some of which we have been able to review in the context of the serious case panel, for example, which we have talked to this Committee about before.

Fraud and error in PIP is relatively low. It is not the area we are particularly focusing on, though interestingly enough the area on PIP that we do focus on is underpayments when people have not reported a worsening in their functional situation. It is probably not the place in terms of overpayments where we are focusing our fraud and error effort at the moment. That is more back to the points I was making in answer to Mr Coyle earlier.

Q52 Shaun Bailey: We have noticed that particularly during the pandemic there has been a drop in the number of people making PIP applications. What work has the Department done? Is there any concern within the Department about perhaps a balloon effect, particularly as we now start to open up again, and people who perhaps have not made applications or have not necessarily felt supported in doing so will now start to come forward? Have you done any contingency planning around any rush or balloon impact as a result of the pandemic?

Peter Schofield: We are seeing a big increase in applications and the statistics we put out quite recently showed that. It is coming through. The challenge with the backlog that the Secretary of State mentioned earlier is twofold: the increase in the number of claims coming into very significant levels—as I say, we published the data quite recently—and retaining and recruiting health assessors given other pressures for health professionals in the context of the pandemic. It is absolutely there. The work to try to manage that backlog is underway. It is not business continuity. It is business right now.

The Green Paper will also be looking at how we think about other ways of improving the whole application process; for example, advocacy support to help people as they make their claims to PIP. There will be a bit more about that in the Green Paper when it is published.

Dr Coffey: I am conscious that we are doing some pilots pre-concept and we stepped up the triaging early on to help with aspects of decision-making in that regard. They have been some of the new things we have introduced.

When I was up at Quarry House, our now second ministerial HQ, I met some of the team there and talked about the process they are going through. It is still quite small at the moment, but we can anticipate, as long as the quality is maintained, that we would see more escalation of that approach.

Peter Schofield: Yes, it is what we call holistic decision making—I am sure we have talked to the Committee before about it—and enabling the case manager to look at all of the information and to be proactive and, if



HOUSE OF COMMONS

they do not feel they have some evidence or data, phoning the customer, particularly if the data would suggest in an award review that there should be some reduction in the claim, to make sure we have all the information we need so we can be more reliable on that. We are hoping that is improving the customer experience as well as helping us to get more things right first time.

Q53 Shaun Bailey: If I can press you both, are you confident that if there is a significant uptick as a result of things opening up, operationally you will be able to manage increased volumes while at the same time maintaining the level of service you expect?

Peter Schofield: This is a business challenge right now. I am being open with you, Mr Bailey.

Dr Coffey: I am nervous, but that is why we have taken the steps we have to try to see how we can help the flow of this. In my understanding from speaking to the person who manages the contract with one of our providers, we are already seeing a reduction in the turnover of assessors. Quite a lot of proactive work is going on. As I say, we are already through the NERT process in the Cabinet Committee working across the Government on how we can make some improvements.

Q54 Chris Stephens: Can I refer the Committee to my register of Member's interests, particularly as chair of the PCS Parliamentary Group?

Secretary of State, the Department has lost more disability discrimination cases than any other large employer in the country. The Department for Work and Pensions is also a Disability Confident "leader". Does the Department ever take away or downgrade Disability Confident accreditation?

Dr Coffey: I am not aware that it has been downgraded. I am conscious of what you say about the number of cases. I know that when situations have happened, reviews happen and then we try to make sure that the best practice is consistently applied across the country. It is probably more appropriate for Peter to answer some of these aspects.

Peter Schofield: Yes. We answered some questions on this back in the autumn. My colleague Debbie Alder was with me and she talked quite a lot about the response to that "Panorama" programme and the data that was shared. We have not seen data produced in that way before, but we are absolutely committed to making sure that we address that and that we are an employer that enables all colleagues with health conditions and disabilities to thrive. There are a number of things that we shared with the Committee then that we are working on.

First, in terms of making sure that we do not find ourselves in a situation where these cases get to an employment tribunal and we lose, we are making sure that we are better at managing those cases end to end, that we have the quality case management support through the process and that we are able to understand the issues and address them effectively.



HOUSE OF COMMONS

We are working closely with ACAS to enable us to make sure our processes are what they should be in terms of that case management. We want to make sure we have the expertise brought to bear.

You probably raise a bigger question here around culture and how we make this a place where everyone can thrive, whatever their background and whatever their situation. I am so proud of all the work that is done across DWP and the amazing commitment of our people. I am conscious that we are not always at our best everywhere all of the time and I want us to root out where we are not.

We have recently been talking about our values, one of which is we value everybody, and talking through senior leaders and through the organisation about what that should mean for all of us in our role as colleagues in every situation. It is starting to get into the culture and the specifics in terms of managing those cases, working with ACAS and reviewing the end-to-end process.

Q55 Chris Stephens: That was helpful. You referred to the BBC “Panorama” programme in March 2020. Has the number of disability discrimination cases lodged at a tribunal against the Department increased or decreased since the “Panorama” programme?

Peter Schofield: We lost six last year. That is in the 12 months since. As we discussed last time around, when we looked at the “Panorama” data and compared it with our own, a lot of cases come to the Employment Tribunal and it takes a while to get there. It is very lumpy and you cannot necessarily look at one year on its own. But that is the number from last year against a workforce that is now up to around 90,000.

I do not want that to be anyone’s experience of working in DWP. Everything we are doing through the culture and also through managing those individual cases as they come through is about making sure that we are looking at them carefully and assessing whether we can do arbitration and mediation work more effectively, and other things that we need to address before they get to the Employment Tribunal. There will be cases where we have looked at a situation and we think that we were right to act and the person wants to take us to an Employment Tribunal. That will happen, but I do not want a situation in which that is the experience.

Q56 Chris Stephens: The reaccreditation cycle for the Disability Confident scheme is three years. What phase of the cycle is the Department currently in?

Peter Schofield: I do not know, Mr Stephens.

Q57 Chris Stephens: Could you write to the Committee and tell us about that?

Peter Schofield: Yes, sure.



Q58 Chris Stephens: That would be helpful. The Department has a weight of responsibility. What does the Department do to ensure that Disability Confident employers are complying with the requirements and what would you do if it becomes clear that an employer is not meeting its requirements?

Peter Schofield: Disability Confident is a voluntary scheme that people go through and they need to demonstrate what they are doing and whether they are complying with it on a cycle, as you say. They need to demonstrate at each stage of the cycle that they are continuing to comply. I very much intend to make sure that DWP continues to be Disability Confident.

Q59 Chris Stephens: If an employer is not complying with the Disability Confident scheme, how do members of the public learn that those employers have lost that accreditation? Last month the Department published the register and updated its register. If an employer is failing in its responsibilities, how does a member of the public know that?

Peter Schofield: If it has been taken off, then it will be off the list. It would no longer be on the list.

Q60 Chris Stephens: They would no longer be on the list, but you would not have a list to say that?

Peter Schofield: I see. Do you suggest that we might have a list of people who have fallen off the list since the last year? Shall we take that away and think about that?

Q61 Chris Stephens: It would be helpful if you would do that because we want some indication, Mr Schofield, of how many employers have fallen off the list. It would be good to know that and it would be useful for the public to know that as well.

Peter Schofield: Okay, yes. Great.

Q62 Debbie Abrahams: Is it possible for the Secretary of State to write to the Committee about the implications of long Covid on potential claimants and the estimations the Department has undertaken in relation to that?

Dr Coffey: I can give you the answer to that now. We have not.

Q63 Debbie Abrahams: That would be helpful, given that approximately 10% of infected cases at the moment have been estimated to contribute to long Covid.

Dr Coffey: To try to help you, Debbie, I have raised this issue with DHSC and the CMO about understanding this. Quite a lot of work, I understand, is being done—I do not know if it is by NHS or DHSC—on this particular issue. When I was briefed about it quite a while ago, already four syndromes had been identified, some of which were well known and certainly treatable, but I do not have a specific response on that. Until we are informed, there is not a lot I can do to help in terms of writing to the Committee with anything further.



Q64 **Debbie Abrahams:** That is fine. Perhaps you can keep us apprised because it is happening to people now and it is of serious concern.

Secondly, in terms of what you said about poverty and the decisions made by the Government, can I gently point you to a report that I published at the end of February, which brings together the evidence and clearly shows the impact of social security on poverty levels? You may want to have a look at that.

Can you confirm that since July 2019 there have been 97 internal process reviews following deaths of claimants and 27 where claimants have suffered serious harm?

Dr Coffey: I have not brought data on this particular topic with me. I do not know if the Permanent Secretary has.

Peter Schofield: No.

Dr Coffey: I cannot confirm anything on it.

Q65 **Debbie Abrahams:** You will also then not be aware that only 54 of those deaths and only eight of those cases involving serious harm have been completed. Why, after two years, have just over half of the claimant deaths and less than a third of those who have been seriously harmed been investigated?

Dr Coffey: The IPR process has evolved. I do not have the administrative data to which you refer, Debbie.

Q66 **Chair:** Can you let us have those figures?

Dr Coffey: I will look at what we have. I do not know what we have.

Q67 **Debbie Abrahams:** I was hoping to make this easy but this is a response to a written question published last week specifically from your Department. These are departmental figures.

Dr Coffey: I am sure they are. I just do not have them with me, Debbie.

Q68 **Debbie Abrahams:** That is a little bit of a concern given that you knew that this was a topic that I would certainly be asking about.

Dr Coffey: I do not know what questions anybody will ask. Apologies.

Q69 **Debbie Abrahams:** Okay. That is unusual. Usually witnesses do know the themes on which they will be asked questions.

We have had many discussions about this over the last year, Secretary of State and Mr Schofield, and I was heartened, I have to say, by what you were saying last July when you came to the Committee. Can you explain a little bit more about the relationship between the serious case panel and, for example, the themed discussions you are having and how they relate to the internal process review following the death of a claimant?

Dr Coffey: We are now publishing on gov.uk the minutes of the serious case panels or an element of them. The terms of reference make clear



HOUSE OF COMMONS

that the panel, which I do not sit on, is an operational panel. It is chaired by a non-executive director who has recently been replaced—Hayley Tatum is no longer a NED—by David Bennett. They get a sense of what is happening in different ways. There was a recent discussion, for example, about ID fraud and how we are treating people in that way as well. Themes come through. I do not have the latest minutes to hand. Peter attends these meetings and might want to say a bit more.

Peter Schofield: Yes. The process is as we described, Ms Abrahams, back in July. We carry out internal process reviews, as you say, and we have a group chaired by a director of customer experience. They review those IPRs and anything else that comes through and they identify a series of themes that they suggest the serious case panel then reviews.

The serious case panel meets on a quarterly basis. We publish the minutes afterwards. We look at the themes, many of which have come out of situations where something has gone wrong and has been identified in internal process review reports.

We met most recently in June. We have not yet published the minutes for that but we have published the minutes for all the other quarterly meetings. You will see them there. If there is anything from those minutes that you particularly want to focus on, we can do that.

Q70 **Debbie Abrahams:** Yes, I had a look at the March minutes, which is a two-page summary of the discussion. I have to say I was a wee bit concerned. This is meant to be a thorough understanding of lessons following the deaths of claimants. I did not get that. There was certainly no indication of the recommendations and the actions that would be taken, just that recommendations and actions were identified.

If people will have confidence in this new process, we are not there yet. I ask you to consider that. I had no understanding, for example, of how families or individuals who may have had near misses, as the serious harm figures indicate, have been involved in this process. Are they providing input to the process you undertake as a serious case panel? I am concerned about learning the lessons.

I was also struck, Mr Schofield, that the IPR process is a very reactionary process. It is only when there is a safeguarding review that the Department is requested to take part or if the Department is accused of wrongdoing that they take place. Surely, if we are going to take a systematic approach to understanding what is causing or contributing to deaths, it needs to be more than this reactionary process.

Peter Schofield: A member of staff or a senior leader can trigger an IPR. It does not have to wait until something else has happened or someone has made a complaint or anything like that. Some of them are indeed triggered in that way.



HOUSE OF COMMONS

The serious case panel is there to identify systemic themes. It is absolutely my intention, Ms Abrahams, to be on the front foot, learning and listening and making changes. For example, we have created the 31—when we were here in July last year we talked about 25—senior advance customer support leaders. That is one of the big changes in terms of enabling us to have an escalation mechanism for when something has gone wrong so that we can then work with other stakeholders and put wraparound support around vulnerable customers before anything goes wrong. Colleagues can escalate situations quickly before anything goes wrong and we can work with other partners. Those senior leaders have that role. That is a big change that we have made since the serious case panel was introduced.

Alongside that, we have other changes as well. We have the revised guidance for what happens if we lose contact with a claimant who we know is vulnerable. Whereas in the past, maybe after a number of attempts to contact that customer, we would switch off the benefit, now we do not do that. We go into case conference mode. We work with other organisations that know that individual or have contact with that individual—maybe the landlord or the local authority. Those 31 leaders are at the apex of that connection.

The third thing is something we have talked about in the last two meetings of the serious case panel: what do we do when we have identified when a customer has told us that there is something going wrong in the system. How do we stop everything to enable us to sort that out before a process starts going forward? Who will be responsible for that? How do we account for that? How do we make sure that people remain accountable for that as that system goes through?

I call them systemic changes. I call them thematic changes. But they are all driven from experience of what we see and some of the things we learn through IPRs.

Also, I talked earlier about speech analytics. We often listen to calls when things have gone wrong and it has been identified through speech analytics. What has happened in that call? Why is this not reaching the right resolution? What different training can we give our people answering those calls? How do they recognise that they need to do something different or that they need to stop and address the issue at source?

We are doing an awful lot on those fronts. I am sorry that not all of it reads off the page in a set of minutes but at the heart of it—

Dr Coffey: We are putting a section into the annual report.

Peter Schofield: The Secretary of State has reminded me to mention again to the Committee that, as promised, we will have a section in the annual report and accounts setting out a review of the work of the



HOUSE OF COMMONS

Committee over the last year. Sorry, I should have told the Committee that.

Q71 Debbie Abrahams: That is helpful. I will then gently put to you, first, the experience that this Committee had last year when we identified in conjunction with and as a result of evidence that had been provided by a number of witnesses about the issues around the wait for a first payment and those were rejected. That is one thing.

Then, a couple of weeks ago, the DWP's lawyer in the inquest in the High Court looking into whether there should be a fresh inquest for Jodey Whiting stated that there were no systemic issues. That clearly does not show a system that is prepared to learn.

We continue to have this contradiction, which is a source of great concern. What you have said is reassuring but, in the context of these other things, it does raise question marks. I am sure you would agree.

Also, after the exposé by the BBC last month into the deaths of vulnerable claimants and near misses, I was contacted by dozens of families who shared stories of deaths of sons, daughters, sisters and brothers and who in some regards still felt shame about how they had not been there to save them. They felt responsible for them. I seriously believe that we are only scratching at the surface in understanding the scale and the causes of this. We cannot learn what we do not know.

I, again, ask you to tell the Committee and explain why you are still refusing to set up an independent inquiry into these deaths, including the number and causes of deaths. Now we have over 20 charities and organisations also demanding this.

Dr Coffey: Certainly in England and Wales, the inquest process is an independent assessment. A different legal framework applies in Scotland and so they do not have the same approach. That is independent. We will have seen that in reports and investigations undertaken by coroners.

Q72 Debbie Abrahams: Secretary of State, you are aware that the Government can request an independent inquiry, so it is in your gift. Why are you refusing, given the points I have just made?

Dr Coffey: I do not feel that we need to undertake that for the points I have made.

Q73 Debbie Abrahams: Do you think that everything is fine in terms of the process? I have just shown and identified the issues that still exist.

Dr Coffey: There is an element that has been said about themes and we are taking an approach to try to improve the experiences people have and the outcomes for the people who are our claimants. I know we will disagree on certain aspects of legal responsibilities, but we are motivated as a Department to help improve the quality of life. It is a key feature of our departmental plan, which I hope the Cabinet Office will publish soon. That is part of the reason in a variety of ways we continue to try to make improvements; for example, mandatory training to help the PIP and ESA



HOUSE OF COMMONS

telephony staff with mental health situations. There are other ways that we are trying to work on processes. We might pause assessments until we have evaluated that. That is recent work. Those are the sorts of improvements that we constantly try to make, informed in a number of ways, whether through IPR, external experiences or through the serious case panel.

Q74 Debbie Abrahams: Your lawyer said in the High Court two weeks ago, “There are no issues”. Do you not see the absolute contradiction?

Dr Coffey: No, I do not. I suggest that we want to continue to make continuous improvements, like any process.

Q75 Neil Coyle: When Kickstart was launched, you claimed it would create 230,000 jobs. In my constituency, Bermondsey and Old Southwark, 11 young people have been supported. Only 1% of the total have had some support into work. Why is progress so slow, and when will the Department reach 230,000 young people into work?

Dr Coffey: We have agreed funding for over 230,000 jobs. That is already in place. I will not pretend otherwise. I wish that we had more starts. We have now gone over 40,000, which is good news, but there is no doubt that the impact of the lockdowns has meant constraints on the delivery of those jobs.

We have increased the number of people now working not only with employers but within our internal processes. We continue to try to make improvements in that regard.

Probably the most significant thing in terms of getting young people to apply for those jobs will be what I expect is the impact of reintroducing at scale the face-to-face interventions we are having with young people. I am very—

Q76 Neil Coyle: Sorry, does that 40,000 figure, which is slightly up again, include schoolchildren?

Dr Coffey: What do you mean by that?

Q77 Neil Coyle: The Bermondsey and Old Southwark figure, which I got from the DWP and the local Jobcentre, included two schoolchildren on work placements. Does the 40,000 figure also include children?

Dr Coffey: I do not know the source of that. This is the admin data through which we operate. Kickstart is available only to people on UC—

Peter Schofield: Universal Credit.

Dr Coffey: —benefits between the ages of 16 and 24.

Q78 Neil Coyle: The figures are from your Department.



HOUSE OF COMMONS

Dr Coffey: As you will know, there is a group of people aged 16 who could still be at school and who are eligible, but it is unlikely and I imagine it is rare.

Q79 **Neil Coyle:** Will those figures be provided at a constituency and local authority level for where the starts are?

Dr Coffey: We have been working on trying to improve the data. I did write to Mr Speaker. I am not yet clear that we have had a response on how I could get our analysts to work with the House of Commons Library to get a reliable methodology.

There are a number of issues about reporting at different levels. One is when the jobs are advertised. At the moment, they would be allocated in effect to the headquarters of the employer who has applied, but then the distribution once they are delivered could be quite substantially different. Some of that may be remote working. To give an example, Tesco HQ is in Hertfordshire but the jobs could be anywhere. There is a translation of how we get from one to the other.

I am keen to see what we can do to provide a lot more local data that is entirely reliable. That is why I have been not publishing constituency or local authority data. We have a reasonable element of regional. I will be happy to write again to Mr Speaker to see if there is more progress we can make with the House of Commons Library.

Q80 **Neil Coyle:** Surely the claimant's address would be the sensible way. You seemed to suggest that lockdown was one of the barriers, but a lot of young people were desperate to work and a lot of employers were desperate to get started. Why does it take an MP's intervention to speed things up, as I did recently, for example, with the Brighton Gym through my work on the all-party parliamentary group on wine and spirits here in Parliament?

Dr Coffey: First, thank you for intervening when an employer was not getting the service that it should. We do have many more account managers working proactively in this regard. I can assure you that I get a regular update on what we are doing. I know our director general JP is working actively across the country. We have about 100,000 jobs in the system with actual vacancies and job descriptions. We are trying to get people to go through the processes. I will not pretend it is working 100% all around the country but I can assure you—

Q81 **Neil Coyle:** Given that admission and given it is 100,000 now—

Dr Coffey: It is not an admission.

Q82 **Neil Coyle:** It is interesting to hear. It is an admission of sorts. Given that the figure you have used is 100,000, will you be extending Kickstart beyond the December deadline?

Dr Coffey: I am not in a position to say that today. We are also seeing in different parts of the country that we are not mandating young people to



apply for Kickstart jobs. We need to get them in the right job or help them get the right job that is appropriate for them. We are seeing quite a lot of young people take up other roles rather than Kickstart roles.

Q83 Neil Coyle: But you are saying that after 10 months of running you have not hit 100,000. You have got only 40,000 into work. You have 100,000 potentially lined up. You have only six months left and you are prepared to abolish it.

Dr Coffey: It is not about abolishing it. Kickstart is a particular programme to try to help young people who have had the rug pulled from under their feet. We do have about 370,000 young people eligible for this. We have a situation in some parts of the country where we are trying to work through how we get more of those jobs filled. It is a work in progress. I know the Permanent Secretary is taking a personal lead, working with JP. Getting the time from applying to starts or referrals is something that we are actively—I am trying to think of the right word.

Q84 Neil Coyle: We will run out of time. Peter, will you hit 230,000 by December, then?

Peter Schofield: Not starts, no.

Q85 Neil Coyle: When you announced that Kickstart would create 230,000, that was inaccurate. Can we move on? I am sorry. We are running out of time.

Dr Coffey: That is not true. No, 230,000 have been created. We now need the employers to come through with the young people to fill those jobs that have been created. We are going through a bit of a cleansing exercise, going back to employers now to say, "You said you would take on so many people. You said you would take on 20. You have taken on only four so far. What will you do about the other 16?" If they will not take the whole 16, that is fine. We will get new employers to come in and help us fill those roles.

Peter Schofield: There is huge work going on. I was up in Leeds only last Thursday. The jobcentre had three employers in and they were matching claimants to employers there and then in the office. I was slightly negative about 230,000. I am absolutely determined to drive as close to it as I possibly can, if not exceed it. Let me put that more on the record.

Q86 Neil Coyle: That is great. While you were in Leeds, I was in Batley, not far away, funnily enough.

I want to move on to the benefit cap. In February, your stats showed that 200,000 families had been capped, up by another 24,000 families. Ministers had previously said that the number facing the cap would be very small. Why does the Department for Work and Pensions have such a tough job with reality?

Dr Coffey: As a proportion of UC claimants overall—



HOUSE OF COMMONS

Peter Schofield: It is 2.9%.

Dr Coffey: There you go. It is 2.9% of people there.

Peter Schofield: That is the UC and Housing Benefit caseload.

Q87 **Neil Coyle:** Would most people accept that 200,000 families is a very small number?

Dr Coffey: They would see it as a substantial number but, when you compare it to the number of total claimants, I expect they would see it as quite a small proportion, as the Permanent Secretary has laid out.

I am very keen to try to help people. A household has to earn about £600 to not be capped anymore. We will continue to try to help people get that amount of work.

Q88 **Neil Coyle:** You said you were considering a review. When will the review start?

Dr Coffey: I have not decided on that yet. I am conscious of the—

Q89 **Neil Coyle:** In February you told us you were considering it and you are still considering it. When will your considerations finish?

Dr Coffey: Yes. There is still a fluctuation in earnings. I do not want us to go down a route that would have unintended consequences. We need a bit more stability. I still have not decided yet.

Q90 **Neil Coyle:** When do you expect to decide?

Dr Coffey: I hope to decide before the end of the year.

Q91 **Chair:** The number of capped households has pretty much trebled since the pandemic started, has it not?

Dr Coffey: I am sure your information is accurate. But as people get the opportunity to work more, we will see people being able to earn that amount of money and I hope that would then revise.

Q92 **Chair:** We were told at the start that the Department's expectation was that it would be only a very small effect. Trebling clearly has not been a small effect. It has been quite a big effect.

Dr Coffey: In numbers you are right but I do not know in percentage terms if that is the case.

Peter Schofield: It was 13% in the last quarter alone.

Q93 **Chris Stephens:** I have some questions about terminal illness claimants but, before I do, the Department has written to the Committee and to me. I raised this at Business Questions last week regarding bereavement support payments to cohabiting couples and laying down a remedial order before the summer recess. Secretary of State, is the Department still on track to do that?



Dr Coffey: Yes.

Q94 **Chris Stephens:** We will expect the remedial order in the next week or two, then, imminently?

Dr Coffey: Yes.

Q95 **Chris Stephens:** Excellent. That is good news for many people watching these proceedings. Thank you, Secretary of State.

What barriers are preventing the Department from publishing its review of the Special Rules for Terminal Illness? How can these be overcome?

Dr Coffey: Like a lot of issues, we are trying to address the issue by bringing a policy together. I anticipate that we will be able to, hopefully, update Parliament before we rise for the summer—or, if not, as soon as possible thereafter—on where we are heading with SRTI.

Q96 **Chris Stephens:** Are you looking, Secretary of State, at the example that the Scottish Parliament unanimously voted on, which is that if a progressive disease can be reasonably expected to cause the individual's death, there is no presumption as to when the death might occur? Is the Department looking at that?

Dr Coffey: The Department has taken a wide-ranging view. The Minister for Disabled People, Health and Work set out to the Scottish Affairs Committee why he did not necessarily agree with the approach the Scottish Government are taking. However, I am conscious that we will continue to see the benefits of devolution and having different approaches set out, potentially, in different parts of the UK. The Department for Communities has shared an approach. We have been discussing a variety of ways with other devolved Administrations. I fully respect that the Scottish Parliament has taken a particular approach.

Q97 **Chris Stephens:** The Minister for Disabled People has made clear that the Government plan to scrap the six-month rule. When will that happen, Secretary of State?

Dr Coffey: You will have to wait, Mr Stephens, until we are able to publish our new policy.

Q98 **Chris Stephens:** We will wait with anticipation for that. If I could now move on, Secretary of State, to the reopening of DWP face-to-face services, the Chair of the Committee wrote to you on 16 June with a large number of questions, which I will not ask here, but I believe we do not yet have a response to that. The Chair asked for a response by 28 June. When will we receive an answer to those questions?

Dr Coffey: I am sorry that we did not meet the deadline that is there. Again, I am asking a few more questions on our proposed response and I will aim to get it to you as quickly as possible.

Q99 **Chris Stephens:** How have Jobcentre Plus operations been affected by rising Covid cases in some areas of the country? There is the Wigan



example, where you had to close. What contingency plans do you have in cases where there is a major spike?

Peter Schofield: We take the safety of jobcentres incredibly seriously, as I have always said. It is my top priority to make sure that our workplaces are safe for our colleagues and also for our customers coming in. As well as the things we are doing anyway all across the country—making all of our jobcentres Covid-secure and having clear walkways, hand sanitisers, cleaning, lateral flow testing encouraged twice a week and all that goes with that—where we do have an outbreak, we would always then have a case conference with our health and safety experts and the site leadership to decide what to do. Every situation is different. There will be cases where a deep clean in a particular area is enough. There will be other cases where we need to close the site for a period and test everyone. We take this very seriously and we are doing this step by step.

Dr Coffey: We discuss these issues every week at my delivery board meeting. Wigan was closed for 10 days and then the HSE came in and did a review as well, which was deemed satisfactory. HR right across the country and our DG responsible for jobcentres are always encouraging people to make sure that they are conscious of the best practice that they should be following.

Peter Schofield: We are making sure that we avoid workplace transmission. We are driving to avoid that in each case. As you say, there may be community transmission and colleagues may, sadly, pick up Covid, but we want to make sure we avoid transmission within the workplace. Everything that I have described and the Secretary of State has described is intended to address that. The Secretary of State is right. She holds me and my DGs accountable every week on this, among other significant operational issues.

Q100 **Chris Stephens:** That is good because, if the Secretary of State does not, I will, Mr Schofield.

Is there any part of the DWP estate—because of the age and the design of older buildings—that would not be Covid-secure?

Peter Schofield: Everything is Covid-secure. There may have been one or two very small jobcentres in the past. If they are not Covid-secure, they are not open. Basically, everything is Covid-secure. We work closely as we get new information and as we get new guidance to make sure we put that guidance in place and amend and adjust things as necessary.

Q101 **Chris Stephens:** Looking at what the Department has been doing through the pandemic in terms of its service delivery, are there any changes that the Department has made that you could say to the Committee, “That has definitely worked and we will make a permanent change in relation to it”?



HOUSE OF COMMONS

Peter Schofield: Gosh. A focus on safety and cleanliness in the workplace and active cleaning, absolutely.

The reason I am slightly pausing is because we are all waiting for the BEIS guidance, which will come out shortly ahead of the fourth stage in the roadmap, and what that means for big workplaces and all big employers in terms of learning to live with the virus.

I am very confident in what we have done and the changes we have made since the pandemic that have enabled us to get our workplaces open and particularly our jobcentres and to get to the point where we have, as the Secretary of State said earlier, 250,000 people coming in each week as customers. We need to learn from that and build from that and never be complacent. That is the big watchword.

Q102 **Chris Stephens:** The Committee recently heard a statement from a disability charity that work capability assessments can be anxiety-inducing for claimants, causing many decisions to be overturned by a tribunal. It was suggested that the work capability assessments should be rebuilt, separating the financial support from employment support. Do you share that view or should traditional face-to-face assessments still be the norm for everyone?

Peter Schofield: As I said, face-to-face has become much less the norm during the pandemic as we have done as many as we can over the phone. It goes back to the debate we were having when Mr McCabe was asking questions earlier about the mix between face-to-face and telephony. In some cases telephony has worked, we think, as well or possibly better. Maybe we can deliver more quickly by doing more telephony in the future. We are learning all the time and the pandemic has caused us to do some processes in a different way.

On the point about anxiety, I take this very seriously and I am concerned if customers feel that. We are making sure that we do everything we can. Telephony processes might work better for some people. Can we do that? Also, we are working with our providers to make sure that they create an environment within a health assessment situation where people feel comfortable and at ease in everything we do.

Q103 **Dr Ben Spencer:** I would like to continue the questions on a theme around the Covid guidance to businesses—you referred to the BEIS guidance that is coming through—and the role of the HSE and enforcement or not of this guidance to businesses. We have written to the HSE to ask about its approach to ensuring or not that employers adhere to Government guidance. The answer in the letter back is not particularly clear.

From your perspective, what is the role of the HSE in enforcing Covid guidance and what approach should it take?

Dr Coffey: The Health and Safety at Work Act has split responsibilities, whether it is the HSE or the local authorities, and it has been done by



particular sectors. The Chief Scientist has been involved in quite a lot of the work going through SAGE and leading on some of the sub-committee work. Overall, there is an element of a number of spot checks, site visits and action taking, usually by guidance rather than necessarily regulatory approaches. For about 96% of checks, there was no need to take any further guidance. There were about 12,500 Covid-related interventions when employers were asked to make improvements. Overall, the HSE has done a good job.

The HSE did get some extra funding—another £14 million this year—to particularly help with the issues about Covid. The HSE reached out to the local authorities in quite a substantial way so that we can either try to share best practice or pick up issues for local authorities, which have been magnificent in helping local communities respond to the challenges of Covid. We do not want to allow cracks to go through and issues to arise there. We have perhaps gone beyond but we are of course keeping within our legal powers.

Q104 Dr Ben Spencer: To clarify, is Covid guidance to workplaces from BEIS or from the Government legally enforceable by the HSE?

Dr Coffey: The guidance is clear about how people can make workplaces safe and the particular issues that arise from Covid. The guidance is there to try to help inform employers about how they can do their best to make their workplaces safe.

Q105 Dr Ben Spencer: If an employer does not follow that guidance and then the HSE inspects that or goes through its protocol and takes enforcement measures, would you therefore conclude that, in effect, the guidance is legally enforceable by the HSE?

Dr Coffey: Guidance is not the law. The responsibility is actually on the employer to make their workplaces safe. The guidance has been provided to employers about ways they could consider making their workplaces safe. Will the HSE go in and say, “You have more than one person in this lift”? That would depend on the risk assessment done by the employer about how many people it considers could or should be in a lift.

I will give the example of DWP. We are far more cautious than perhaps what the BEIS guidance offers. We have taken a particular approach.

It is ultimately the responsibility of the employer to do the risk assessment but, where there are breaches of the law, it is not necessarily that the guidance is the law. It is about ways that the HSE can try to help them comply, in effect, with the law.

Q106 Dr Ben Spencer: You may think I am splitting hairs here but this is an important issue to pin down. The guidance can have huge effects on how businesses can operate and in a variety of ways. I am concerned that the default position will be what the Department has done, which is to take a risk-averse approach for fear of enforcement by the HSE.



I want to clarify exactly the position on guidance and enforcement by the HSE. How do we also ensure that effectively the guidance does not translate into law in the eyes of businesses and organisations that are trying to follow it for fear of enforcement by the HSE?

Peter Schofield: Sarah Albon wrote to the Committee in May, which is what you are referring to, Dr Spencer. She said, reading out from her letter, "An employer who is following the Government guidance on COVID secure workplaces is likely to be satisfying relevant health and safety at work law obligations". That does give clarity to employers about where they, potentially, have safe harbour on this. Likewise, "Conversely where an employer is not acting consistently with the guidance this might indicate that they are not meeting their health and safety at work law obligations". She then goes on to talk about the situations in which the HSE might consider enforcement action.

As the Secretary of State says, the HSE has taken a staggering 284,000 interventions on Covid-related incidents and has acted on 12,500 of those. That is how it has been using the additional capacity funded through the £13 million last year and the £14 million this year.

Q107 **Dr Ben Spencer:** That paragraph in that letter I was thinking about reading out, but I did not want to just for time. Your interpretation of that response is that effectively, if you are following Covid guidance as a business, you are very likely to be operating within the law and, if you are not, you are very likely not to be?

Peter Schofield: Yes. That is what she says.

Q108 **Dr Ben Spencer:** That sounds to me like Covid guidance is law.

Dr Coffey: It is not law.

Q109 **Dr Ben Spencer:** Or at least legally enforceable.

Dr Coffey: If I give you the example of the lift, BEIS has issued guidance on a way to fit four people in a lift and it is by people standing back-to-back or side-to-side. Organisations—the DWP being an example—have chosen to try it on the basis of a two-metre split instead of having four people in a lift standing back-to-back. The employer needs to make a judgment on what will work best in that organisation. The DWP has taken a judgment to have just a two-metre split because it is simpler than putting feet on the floor and telling people which way to stand. The same is true in the House of Commons, where the Speaker has decided to take a particular approach to what to do in the Chamber. There are different ways that it perhaps could have been done, but that is the approach taken.

Q110 **Dr Ben Spencer:** Again, you have used risk-averse examples. Ironically, for example, we now know that there is evidence that these grills behind us just slow or stop ventilation, so may not be that good. That is a slight digression.



Dr Coffey: The issue, Dr Spencer, is that you cannot put a blanket thing that a Perspex screen will do either one thing or another. It is an interaction with other situations. We do know that helping with ventilation is really important. That is why opening windows where possible is good. But then again, that might affect your air-conditioning system. It really is horses for courses. That is why the employer does the risk assessment of the site.

Indeed, a big issue is that employers also have to make sure that if people are working from home, it is appropriately safe as well. That is still a legal responsibility of the employer, too.

Q111 **Dr Ben Spencer:** Perhaps we could go to the core of my worry about this issue, which is that employers will ultimately take risk-averse approaches that may be excessive and may be damaging to their employees, to their businesses and to the economy as a whole.

Do you have any thoughts or comments in terms of how the HSE or how we can help avoid that happening and help avoid risk-averse approaches and move the needle another way? It is natural. This is a new thing. It is new guidance that people are having to adjust to. There are all sorts of implications we have seen in the last year in terms of insurance. There are countless examples. Is there a way that we can try to move the needle the other way a bit?

Dr Coffey: BEIS owns the relationship in terms of aspects of employer and employee rights, so it has taken the lead on this. There is a logical reason why the HSE is not part of BEIS but is part of a different department and is connected to us on the basis of work. PHE in particular has been the principal adviser, I suggest, to BEIS in how to reduce transmission risk. The HSE has been very constructive in the practicality in the workplace and how that can work as well. They have both had a role in doing that, but PHE has certainly been, I would say, the principal adviser. That is my understanding, but of course it is probably best if BEIS specifically answers how it has gone about pulling the guidance together comprehensively.

Can I have an indication, Chair, of how long you expect this session to continue?

Chair: Yes. I anticipate that it will be about 15 minutes or something like that and then we should be over.

Q112 **Steve McCabe:** I want to ask a couple of quick questions about state pension underpayments. Is it still the Department's position that you do not intend to publish any information about the progress of the exercise to identify and rectify underpayments until the next fiscal event?

Peter Schofield: I need to make a provision in the annual report and accounts, so there will be more information in the annual report and accounts, which will be this side of the summer recess.



Q113 **Steve McCabe:** Mr Schofield, you told us last October that you had identified 1,900 people who had received payments to rectify errors previously, but in a written statement the Department told us that you had set aside £2.7 billion for this exercise. Presumably, you are expecting there to be a lot more than 1,900 people. What is your current estimate for how many you will pay?

Peter Schofield: I should probably wait until we publish more information in the annual report and accounts because that will have more of an update of the nature of the provisions. If you can bear to wait until that publication, Mr McCabe, it will give you a little bit more information.

Q114 **Steve McCabe:** I am a bit more worried about the people who are waiting. That is why I was pressing you, Mr Schofield.

Peter Schofield: Let me reassure you on that point. Back in October we were responding to people making requests coming in and asking us to look at their situation as opposed to having set up a full LEAP exercise, which is an administrative exercise where we review all the cases, which we have now done. We are up and running with that. We currently have 150 people working through and we are recruiting another 360 people into that, hopefully, in the next few months. This exercise will take us until 2023. We are committed to getting on and making progress on that and paying people when we have made a mistake that we need to correct.

Dr Coffey: The OBR wanted to put a significant forecast in. Very early at that stage we were still doing some scans. It is a pretty complex situation. We are continuing to do that. The latest assessment, in effect, by the provision will be in the accounts. Constantly trying to make judgments when we are still going through these cases is why we have indicated that until the OBR effectively puts in a new forecast, there would be little merit, candidly, in trying to do something when it is still rather uncertain exactly what the full outcome of this situation is.

Peter Schofield: As we do more work on the scans, it looks like it will be somewhat less than that amount of money. We will say more about it in the annual report and accounts.

Q115 **Steve McCabe:** You will be in the Treasury's good books. Have you any plans to include women whose husbands turned 65 before 17 March 2008 or divorced women? I noticed they were excluded from the written statement. There was no reference to them. If you have just been divorced, I would not imagine that the first thing on your mind would be to phone up the DWP and check your pension entitlement. Maybe women whose husbands turned 65 before March 2008 would not necessarily have thought it was a priority, either. But they clearly have missed out, just like several other people. Have you any plans to include them now?

Peter Schofield: The law changed in 2008, which is why the treatment is different. The obligation is on the Department post-2008, which is why



HOUSE OF COMMONS

the focus of the exercise is on that. Our focus is on that now. If there are people who think they are affected pre-2008, we very much encourage them to get in touch.

Q116 **Steve McCabe:** But you will not be attempting to identify them or indeed divorced women. The onus will be on them to contact you. Is that right?

Dr Coffey: We try to comply with the law. People need to make an application for pre-2008.

Q117 **Steve McCabe:** When people for whatever reason do not contact you in the appropriate period of time, maybe because they did not realise, are they limited to a backdated payment of a maximum of one year, but the Department has some discretion to alter that. Is that right?

Dr Coffey: Not on where we have discretion. The Chair of the Committee was the Pensions Minister when this was being considered. I assume that a point in time was chosen and various changes were made.

Q118 **Steve McCabe:** Sorry, Secretary of State, I was asking that because your former colleague Steve Webb, the chap who exposed this whole can of worms, said that he is advising some people to go to the Ombudsman and that the Department should find a way of putting things right. He also pointed out that there is a discretionary special payment scheme.

Does he have that wrong? Is there a discretionary special payments scheme where you could consider people who may be getting a bit of a raw deal because of this 12-month limit?

Dr Coffey: It is not a raw deal. It is what Parliament voted for. Steve Webb was Pensions Minister for five years. He undertook substantial reform of the pensions system. It would have been great if he had found this problem and fixed it, but he did not. We have. We are fixing it.

Q119 **Steve McCabe:** He found it. He found it for you. As far as divorced women and pre-2008 women are concerned, the onus will be on them to contact you and, if people have lost out substantially, nonetheless, you will not be exercising any discretion to increase their payments. Is that the current position?

Dr Coffey: The law allows us to pay back 12 months.

Q120 **Steve McCabe:** The discretionary special payment suggests that you do have a power, but you do not have any intention to exercise it. I am trying to clarify that.

Dr Coffey: I am not aware of any plans to change what we have within our legal powers.

Q121 **Chair:** You will know that the charity Independent Aid has started a campaign around pension credit take-up. Why do you think pension credit take-up is so low? It is 60% or something. The campaign is calling for an action plan to achieve real and lasting change in pension credit take-up. I know the Department has been working on this, but I wonder whether



HOUSE OF COMMONS

you might indeed perhaps have plans for an action plan to grasp this.

Dr Coffey: We have just had one. We had a media day of action on 16 June. We joined forces with Age UK and also ambassadors like Len Goodman and Rusty Lee who were involved and the BBC, in fact, to reach out to people who might be reticent about claiming pension credit. Of course, one big benefit of claiming pension credit will be that people over 75 will continue to get a free TV licence.

About three-quarters of people whom we estimate to be eligible for the minimum income guarantee do apply. On the savings side, only about half of people, we estimate, apply. I expect a lot of that might be driven not by complexity but, when you go through some of the calculation, you might be getting pennies back from the savings credit element.

We will continue to highlight the other benefits that could accrue and, even if you are getting, frankly, two pence a week from the Government, what you could be entitled to as well. We will continue to advertise that, but we have done quite a substantial amount of advertising in the past year. We cannot force people to apply for this. There are plenty of indicators.

We had assumed that more people would apply for pension credit and that the BBC's changes to eligibility for a free licence fee would trigger more. I was pleased that the BBC agreed to work with us again this year to do the same. Of course, that is a recent intervention and so we will see what comes out of that.

Q122 **Chair:** The day of action was certainly welcome, but I wonder whether there is a case for a longer term, more sustained action plan to address it.

Dr Coffey: Three out of four people whom we estimate to be eligible are taking up the minimum income guarantee. At the end of the day, we cannot force people to apply for the savings credit. If they go through the calculators, they may decide it is not worth the experience. We will continue to advertise it in a different way but I am not anticipating a big action plan, no.

Q123 **Chair:** Going back to the removal of the £20 a week uplift in Universal Credit, you said earlier that you are planning to phase that out from September. For clarity, for each individual, it will go between one payment period and the next, yes?

Dr Coffey: Exactly. People have different payment periods. That is what I meant. It will not be on one single day. It will be through the assessment period process.

Q124 **Chair:** You are not proposing any mitigation or transitional help or anything of that kind? It will just go and that will be that?

Dr Coffey: We will be proactively contacting the claimants and alerting them to this. I am very keen on the communications. We also signpost



HOUSE OF COMMONS

when people might need support to budgeting help. I have asked for MAPS to make sure it is geared up with commissioned people. A number of activities will try to provide signposting to support for people at this point. A large focus of course for our work coaches will be on helping people get into work.

Q125 **Chair:** In terms of the communications, does that mean you will be writing to everybody?

Dr Coffey: My understanding is that we will be doing a combination of things like journal messages and what might be on the claimant statement. Some work is being done on texting people. I cannot remember whether emails are involved or not. We do not have the email addresses of everybody. We will not be writing to people, no.

Peter Schofield: On the monthly statement, it would say, "This amount is the temporary uplift". Then, as the Secretary of State says, it would be in their journal on the online portal that they would regularly look at to engage with the Department, whether it is their work coach or their service case manager. They would get that regular update. They should all be looking at that.

Q126 **Chair:** When it is clear, could you drop us a line to explain how you are using emails, text and other ways to alert people to the fact that this change is coming?

Dr Coffey: Yes, of course.

Chair: That would be helpful. Thank you very much indeed. That concludes all the questions we have for you today. Thank you for giving us such a lot of time. We have covered a lot of ground. We got to all the points we wanted to raise and we are very grateful for that. Thank you, everybody.