

# Work and Pensions Committee

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

Wednesday 8 December 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 127 to 260

### Witnesses

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



## Examination of witnesses

Witnesses: Rt Hon Dr Thérèse Coffey and Peter Schofield.

Q127 **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 being willing to come and give evidence to us this morning.

I will start the questioning. In September last year the Department received a research report from NatCen, based on interviews with 120 disabled people about their experiences of disability benefits. The Government's protocol on social research says, and I quote from the first principle in it: "The products of government social research and analysis will be made publicly available". Why has this one not been made publicly available?

**Dr Thérèse Coffey:** As I wrote to you, "The Government considers a broad range of analysis and evidence to support the formation of all its policy, including that which is both internally and externally commissioned. It is not necessary to publish all of this material, and the Government does not have plans to publish the NatCen report at this time".

Q128 **Chair:** That is not what the protocol says, is it? The protocol says, "The products of government social research and analysis will be made publicly available". That is principle 1. Principle 2: "There will be prompt release of all government research and analysis". It also says that outside the scope of this protocol are various things including "Analysis investigating the potential effects of different policy options". If this report was analysis investigating the potential effects of different policy options, it would be outside the scope of the protocol. You have confirmed to me that this document is within the scope of the protocol, so it clearly is not analysis investigating the potential effects of different policy options.

**Dr Thérèse Coffey:** As I said to you in my letter of 25 October, "As I have previously confirmed, I have no intention of publishing the research at present. It is important to protect the private space within which Ministers and their policy advisers can develop policies without the risk of premature disclosure".

Q129 **Chair:** We know that this report is not analysis investigating the potential effects of different policy options. Apart from the protocol, isn't there also a point here about good faith with the disabled people who gave evidence? Some 120 people were willing to participate in this research. They received a letter informing them that it would be published. That letter had been cleared with the Department. Isn't there a point about good faith with those 120 disabled people?

**Dr Thérèse Coffey:** There was no mention of publication in interview schedules used in the participation in this research.



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Q130 **Chair:** A letter was sent to all 120, which was cleared by the Department, and informed them that it would be published.

**Dr Thérèse Coffey:** I am not aware of that interaction of the Department. The Department certainly did not put it in any of the individual schedules that informed the participants in that research.

Q131 **Chair:** The Department cleared a letter that was sent to all 120 informing them that it would be published.

**Dr Thérèse Coffey:** I don't know who in the Department cleared that letter. It wasn't me.

Q132 **Chair:** Are you concerned about the Department's good faith with those 120 people?

**Dr Thérèse Coffey:** No, because in the individual schedules there was no mention of publication with the participants in the research. What I hope is that—as we discussed in the Green Paper—there is a wide range of issues shaped with engagement with disabled people, representative organisations and charities with relevant research analysis playing a role in supporting the content that was presented.

I would go back to statements I have made to you in writing before, Stephen, about how it is not necessary to publish all of this material and we do not have plans to publish this report at this time.

Q133 **Chair:** According to the Government protocol on social research, which was adopted in 2015, this report should have been published around last Christmas. There seems to have been quite a major outbreak of ministerial rule-breaking last Christmas. Do you accept that even senior Ministers have to obey Government rules?

**Dr Thérèse Coffey:** I believe decisions are made on publication and, as I have said, it is not the intention of Government to publish the report at this time.

Q134 **Chair:** You may remember that something else that happened last Christmas was that the Social Security Advisory Committee published a report called "How DWP involves disabled people when developing or evaluating programmes that affect them". That report from the SSAC said, "DWP officials themselves acknowledge that the Department is not trusted by many disabled people". Do you accept that it is hard to think of a way of handling this NatCen report that is as damaging to the trust of disabled people as the one that you have chosen?

**Dr Thérèse Coffey:** I note the comments made by SSAC but I return to the information I have already shared with you, or the opinion.

Q135 **Chair:** According to a report from Disability News Service last week, "After being shown the first draft of the report, DWP told NatCen to reduce the number of references to 'unmet needs'" and the final version "had far fewer references to unmet needs". Is that true?



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**Dr Thérèse Coffey:** I am not aware of the sources of Disability News Service.

Q136 **Chair:** Would the best course of action now be simply to publish this report, as Government policy says you should have done a year ago, and avoid further damage to the Department's reputation?

**Dr Thérèse Coffey:** I am very proud of the reputation of the Department. Consistently in our interactions on customer surveys, four out of five people are happy with the processing of PIP. There is a number of different things. I am conscious, Mr Chairman, that you want to pursue this but I stand by what I have already shared with you and the Committee.

Q137 **Chair:** Was this report used in preparing the disability Green Paper?

**Dr Thérèse Coffey:** The Government used a wide range of research and evaluation and analysis and discussions with representatives and people with disability.

Q138 **Chair:** Did they use this particular report?

**Dr Thérèse Coffey:** I am not aware of exactly all the lists of the different works that we did.

Q139 **Chair:** Can I ask you about something else? The Kickstart programme—an initiative that I very much welcome, by the way—was due to support 250,000 young people. I think in July this year you said that was still the expectation. We are now told that it is going to support about 170,000. Over the year up to September of this year, the number of long-term unemployed young people in receipt of Universal Credit trebled from 50,000 to 150,000. With hindsight, why do you think that Kickstart has not reached the numbers that were expected to be supported through it?

**Dr Thérèse Coffey:** A decision was made early on to not make Kickstart mandatory. As a consequence, as part of the discussions with work coaches and young people applying in different ways, it was important to allow young people to also consider other options, whether that is full-time work or apprenticeships, rather than only being allowed to look at Kickstart opportunities.

I think a different number of things have gone on. Anecdotally—I am talking about some of my experiences as a constituency MP, but also some of the discussions had with work coaches around the country—a lot of the people who came in with the roles were often looking for very high spec sort of people.

One of the aims has been, although it has not been exclusive for this, to help people who we consider to be furthest from the labour market. There is a balance in opportunities that we wanted to make sure that young people had, recognising that part of the reason for doing Kickstart was that the normal career opportunities were pretty much closed to anybody of that age who had recently left college or university.



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I think there are other aspects. During the year, certain parts of the country were needing some assessments and it was very clear that once people got an interview they were highly likely to get that Kickstart opportunity but then the success at getting an interview at all varied according to the employer. That is where we changed some of our approach, probably in the early autumn, and almost moved to a “use it or lose it” approach with employers, recognising that what we thought were suitable candidates were being referred to employers but also making sure that interviews happened by young people turning up to the interviews. There was a shift, but by then a lot of people were telling us, “I can get a job that is 35 to 40 hours—I don’t want one for just 25 hours”.

There is a variety of choices and I think Kickstart has been a success. Well over 100,000 young people have had an opportunity, which for some of whom has been life changing and they are on their way to good jobs in a variety of sectors. We continue to have those successes every week.

Q140 **Chair:** Do you have the latest figure? It is over 100,000 now, is it?

**Dr Thérèse Coffey:** I think it has gone over 105,000. Let me see what my number is. I know my statisticians are very fussy about what I can say in public versus what we have actually done but I think it is 105,000.

**Peter Schofield:** I think that is the best number to use.

Chair, you were with us at the Public Accounts Committee a couple of days ago and we went into this in quite some detail. I thought it was quite helpful for the Public Accounts Committee to go through in detail some of the processes we go through in Jobcentres to bring together employers and young people, in the way the Secretary of State has described. I want to pay tribute to our many work coaches all across the country for the work they have done in bringing these opportunities for young people and helping them to engage and get into those roles.

**Chair:** It was a very useful session with the Public Accounts Committee.

Q141 **Sir Desmond Swayne:** Last month the Department said that fewer people than originally anticipated had joined Restart and that measures were being taken to increase the numbers. How many fewer, what steps have been taken and, given that the programme was designed in a very different labour market than the one we have now, would it not be better to reassign some of the £2.9 billion budget for the Restart programme elsewhere? Is the system flexible enough to accommodate that?

**Dr Thérèse Coffey:** This programme was rated by the IPA as one of the best prepared programmes it had seen. The profile that was anticipated of people who would still be long-term unemployed has turned out to be somewhat different from what we had forecast or estimated or modelled. I think it is fair to say we did not have as many referrals initially as we would have liked. That is improving weekly because it is not just about



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people who have, strictly speaking, been unemployed for more than 12 months.

It is also recognising that a significant number of people are moving into limited capability for work and other elements like that. What internally have been deemed people who are suitable has ended up with a smaller cohort on the strict criteria that we set ourselves early in the programme, which was only for people who had been unemployed for 12 to 18 months. We are considering some options potentially to open that up, but I think it is fair to say, without trying to get into commercial discussions, we are assessing the best use of public money to make sure that we help people long-term unemployed to get back into work.

**Peter Schofield:** To build on what the Secretary of State said, Sir Desmond, the labour market context for all of our plan for job schemes is changing. I know you said a dynamic labour market and, as we were talking about at the Public Accounts Committee on Monday, the labour market we have now is very different from the labour market that we saw when the Plan for Jobs was announced in July.

The key thing, as the Secretary of State said, is the flexibility in the programmes that we have and our ability to respond. A key part of that goes down to the work of our work coaches who draw on the different tools that are available to meet the needs of individuals. We are seeing fewer people going into Kickstart than we might have imagined but still a very significant number and it is making a big difference to many people's lives.

Some of the early referrals into Restart were slower than we had expected. We have seen a speeding up of that but there is the opportunity for us to engage with our providers on how we do that and working with our work coaches on who we are drawing through to take those opportunities.

The scheme runs for three years through to 2024 and it was built on our understanding of the lessons that we learned from the Work Programme, and the Work and Health Programme as well, how we work with providers to provide those sorts of support.

**Dr Thérèse Coffey:** Anecdotally, Mims was sharing with me some examples of quite early successes of Restart. The one that stood out for me was somebody who clearly had been through some difficulties from having been made redundant and ended up getting a job of over £100,000 with support from the Restart programme. It is much more intensive. I am not saying that everybody could get a job over £100,000 but it gives you a sense.

Compared to March 2019 when 65% of people who came on to UC in the work search group got back into work within six months, in this process it has been more like 75% from March this year. We are seeing people come off UC more quickly but it has been quite a challenging journey for



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people, particularly early on, who were laid off. I think that the intensive work that they are getting with Restart will have good outcomes, but it is a fair challenge on whether this is still the best use of taxpayers' money.

**Q142 Sir Desmond Swayne:** A million workers have gone missing from the labour market. What is your analysis of where they have gone?

**Dr Thérèse Coffey:** I don't have a complete understanding of this. I think that this is based on ONS Labour Force Survey estimates, so undoubtedly there are strong suggestions that people who have been furloughed in particular have chosen not to re-enter the labour market or to re-enter it in a slightly different way that may not get picked up in the surveys. That is one element.

I think we estimated that about 200,000 EU nationals are no longer in the country, no longer active at all. Again, this is driven by anecdote. I do not know if we are getting into some qualitative research on this or not but there is a fair number of people, particularly 50-plus or 55-plus, who are not re-entering the market after having potentially saved a lot of money during the furlough and are being more selective on when they choose to re-enter.

**Q143 Sir Desmond Swayne:** The study by the Institute for Economic Studies confirms what you said about the 200,000-odd Europeans who have not returned. It also points to a significant number of people who have retired early, many of whom have problems with their health. The other rather worrying thing is that the gap for disabled people has widened and with ethnic minorities. Do you have any policies in mind to address those two particular concerns?

**Dr Thérèse Coffey:** My latest recollection is that the disability employment rate gap is still continuing to narrow. If I am wrong on that I will let you know. We have a new Minister, Chloe, who is doing a great job and one of her key focuses is about this element of increasing the number of disabled people who are working.

We have some policies coming up soon, I think. I don't know if they have been made public, but I will say them now: some more work on the access to work, trying to work out how we can get the passport scheme going, and that is some work in development, again to try to make it easier for people with disabilities or health conditions to kind of come prepacked. That policy and how we operationalise it is still in formulation but those are the sort of avenues we are looking at to consider how we can best continue to try to bridge the gap.

**Peter Schofield:** To build on that, we are using Kickstart, for example, working with some gateways to help us particularly to bring in young people from black and ethnic minority backgrounds. The NAO report showed that it is disproportionately slightly more in favour of young people from black and ethnic minority backgrounds. We talked a little bit about this on Monday but the NAO report talks a bit about the work we



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are doing to try to increase awareness about Kickstart in some of those communities. We are doing a lot of work on that.

When I was at the Public Accounts Committee in the summer, we talked a bit about some of the work we are doing in particular parts of the country to support young people from ethnic minority backgrounds into the labour market. A lot of work is going on, on top of all the schemes to support people with disabilities and health conditions that the Secretary of State described.

**Q144 Sir Desmond Swayne:** Given the experience with Kickstart and Restart, is there a blindingly obvious policy lesson that comes out of your experience of designing policy during the pandemic that can apply to the future development of policy?

**Dr Thérèse Coffey:** I am not going to judge the future. The IPA reckoned Restart is one of the best ever prepared programmes. Even though it was done at pace compared to a lot of normal work programmes, it took a year to prepare. Kickstart was convened very rapidly and I am sure there are ways we could have done some aspects better but I think overall it has been successful, more than Future Jobs Fund previously.

I think the opening up more broadly to organisations rather than just going through gateways or, as it was before, councils has been a challenge. The Future Jobs Fund relied a lot on councils to deliver it. We knew that councils would be pretty busy in dealing with the pandemic, so that is why we wanted to broaden it and still have the opportunity for councils and other such gateways to open up. I think we made some very good decisions.

I think it is too early to judge Restart because we only started referring people this summer. It has not been taken up quite as quickly as we expected. We can mandate Restart and I don't think we are quite at the mandating stage yet but I think that will be coming very soon.

**Q145 Sir Desmond Swayne:** I was not implying any criticism; I was just trying to get at that the facts on the ground have changed so dramatically from the labour market in which you made those plans. I was looking for the flexibility of policy options.

**Peter Schofield:** Shall I build on that bit? I think that is a really good point. A lot of it is that you need to be able to act at pace and get schemes in place quickly. As we discussed on Monday with Kickstart, at the time in July 2020 when it was planned that the furlough scheme would be coming to an end that October, we wanted to get a scheme in place at scale for when that came to an end, and we did. It is the ability to act at pace, learning from what has been done before, having a development of policy where you are always looking back at evaluations of previous schemes.



Kickstart was a development of learning lessons from the Future Jobs Fund. We adapted and changed some of the things that we learned from that, for example targeting more private sector jobs, working with gateways and direct to employers rather than using local authorities, and we discussed that a bit on Monday. Indeed, Restart has learnt from the Work Programme already. With some of the other things we did, for example JETS, we built that straight out of the Work and Health Programme so we were ready to go with that and could move it quickly.

It is pace and learning lessons from what has gone before and then this word, as you say, Sir Desmond: flexibility is crucial. Let's hope we don't face anything like we faced in 2020 again but what we have seen over the last 18 months is a need to respond, first of all, to a position in which the economy stopped. Kickstart was there to create job opportunities for young people for whom opportunities would not be there, through now to a situation in which there is a lot of vacancies. The latest statistic is 1.2 million vacancies.

A big focus of our work is getting young people and others into the mainstream job opportunities but then looking at the groups that are hardest to help and need more support, and having a set of schemes that is available for them, whether that is things like JFS for those who have been out of work for less than three months, JETS for those more than three months or Restart for those more than 12 months unemployed.

When we were at the PAC on Monday, Chair, we looked at one of the tables in the NAO report on the structure of young people who are claimants on Universal Credit and the split between those who have been unemployed for less than six months, those between six months and 12 months and those out of work for 12 months or more. That structure, that flex, that division has changed since February 2020 through to September 2021, which is an example of the sort of data that you need to help you be flexible.

Those are my three words—although it is not three words, is it? They are pace, learning lessons and flexibility to respond to changing circumstances.

**Q146 Shaun Bailey:** Mr Schofield, on 28 October you told the Chair and me at the Public Accounts Committee that you would be in a position on 24 November to talk about any additional funding on top of the £103 million that you had been allocated for fraud and error in the Spending Review. On 24 November, you told the Committee that discussions around any sort of additional funding were ongoing. We are at 8 December now, so where are we with those discussions?

**Peter Schofield:** Close, Mr Bailey.

**Q147 Shaun Bailey:** Whenever a Permanent Secretary says "close" to me it always fills me with dread. Do we have any sort of timeframe, Minister, when we might have a conclusion on that?



**Dr Thérèse Coffey:** I am pretty certain that it will be before the end of the calendar year and I hope before Parliament rises.

Q148 **Shaun Bailey:** I don't want to tempt fate but is there any indication of what you would be looking for in a percentage uplift on that £103 million?

**Peter Schofield:** Obviously I cannot comment until a decision is made and announced but I refer back to what I said to the Committee earlier in the year. Now I cannot remember, Mr Bailey, whether it was PAC or this Committee, because we see each other regularly. The nature of what we have seen means that we could develop a very good investment case, and I believe we have a very good investment case so I am hoping for good news before the end of the calendar year.

Q149 **Shaun Bailey:** Turning to systems more broadly, the Comptroller and Auditor General issued a qualified opinion on the regularity of benefit expenditure for 2020-21 and this was the 33rd year this has happened. We have seen overpayments increase up to 3.4%. I should note that underpayments also increased at the same time. I think you said, Mr Schofield, that one of your aims with the £103 million that you had been allocated already was refining your systems, particularly the link-in with local government and connecting with data analytics and trying to refine things. You have outlined your aims a bit.

Are you confident that your systems are adequate at present? I know we have had this discussion previously, more in the pension space, but if we look at the benefits, UC, are you confident that your systems are adequate at present, particularly given the increased workload you have had over the last 18 months, two years? What has been highlighted to you?

**Peter Schofield:** The £103 million is a continuation of the funding that we got for those interventions that you have described back in the March Budget. It enables us to continue those going forward over the Spending Review period, so that is good news. That was a continuation. That was not necessarily new things but it enabled us to continue what we were doing before.

As we have talked about before, the reality is that we have seen this big increase in fraud in Universal Credit, driven by a number of things, partly in quantity because of the increase in the total amount of spend, partly because of the case composition—and we saw a tripling of the number of the proportion of claimants who were self-employed and a double of the proportion of claimants who had capital through this period—and partly because of some of the things that we had to do during the course of the pandemic because social distancing and other regulations meant that we could not do some of the face-to-face work of initial evidence interviews and checking documentation.

We are looking to have a set of initiatives enabling us to address all of those. We are able to do some now, some we need more resources for and some we need more legislation for. I am happy to unpack that. We



have talked a bit about each of those headings before but I am happy to unpack those.

**Q150 Shaun Bailey:** No, that is really helpful. I want to talk a little bit about this 6.5% target by 2027-28. This is probably a question for both Mr Schofield and the Secretary of State. Is that 6.5% the real end goal or is the aim of the Department to try to exceed that in cutting down the risks around overpayment? What is that 6.5% for you as a strategy? Is that the end point or do we want to go further?

**Dr Thérèse Coffey:** As the Permanent Secretary knows, I would like to go further and faster but I am conscious that one has to deal with what is the possible.

**Q151 Shaun Bailey:** I will talk a little bit about legal enablers. Mr Schofield, in response to a question put to you by the Chair on 24 November, you talked about the need not just for funding but for legal enablers that would enable the Department to make some interventions that are required. You said in response to the Chair that that would require legislation and we were awaiting the Queen's Speech to see what would happen. Where are you with your ongoing discussions with colleagues in Whitehall? It will require cross-departmental co-operation on some of this stuff. What conversations are you having with other Permanent Secretaries to try to get cross-working on this?

**Peter Schofield:** Obviously, I cannot go into where we are with decisions on legislation but on engaging with other Permanent Secretaries—

**Dr Thérèse Coffey:** We put a bid in. There are other Departments interested in also tackling this sort of crime. We do not have clearance yet but we are working on how we can try to do it sooner rather than later.

**Q152 Shaun Bailey:** Is it fair to say, Secretary of State, that there is an appetite across Government to work together on this? You are not finding any sort of reticence or doors closing?

**Dr Thérèse Coffey:** I used to be the Deputy Leader of the House and I am quite unusual in being a Secretary of State that I do not always want primary legislation. We often have powers already but where we absolutely need them, I think you then still have to balance the priorities right across Government. There are only so many Government Bills that can get through.

Of course, this matters about taxpayers' money that is being taken by fraudsters, no doubt about that, but again it is about: does it need to be this coming legislative year? Could it be the following legislative year? We will continue to make the case on how we can use our existing powers, of course, but also what additional benefits this would bring. We should release money for other parts of the public purse.



Q153 **Shaun Bailey:** If I could be bitchy, Secretary of State, when would you like to see it?

**Dr Thérèse Coffey:** I would love to see it in the next Queen's Speech, and I am sure the Leader of the House is watching this Session carefully. I fully respect that I only see my bit of what I have asked for and it is the role of the Leader of the House—and the Leader of the House of Lords, of course—to look right across what absolutely must be done as opposed to what could be done, and I respect that.

**Peter Schofield:** In developing the thinking on this, we are working closely with the Cabinet Office, who are very supportive.

**Dr Thérèse Coffey:** I know that David has been having discussions with one or two of the Home Office Ministers, recognising the crime aspect of this in a very strong way, so that element is there as well.

**Shaun Bailey:** We will wait with bated breath, Chair. Thank you very much.

Q154 **Chair:** On your hope that there will be agreement with the Treasury by the end of next week, I think you were saying, when that is reached will it be announced? Will there be a written statement or something to communicate it?

**Dr Thérèse Coffey:** I am expecting there to be a written statement and, of course, we will let you know.

Q155 **Steve McCabe:** I want to ask a couple of things about the question of people with disabilities getting into the workforce. I think I am right, Secretary of State, in saying that you are sticking to your single goal of a million more people with disabilities into the workforce over the 10 years between 2017 and 2027; is that right?

**Dr Thérèse Coffey:** Yes, and in parallel reducing the percentage gap.

Q156 **Steve McCabe:** The Office of National Statistics says that in the five years between 2013 and 2018, 930,000 more people joined the workforce. Am I right in saying that you are being a little less than ambitious here?

**Dr Thérèse Coffey:** If you want to challenge me to have a higher target, I will note your recommendations carefully.

Q157 **Steve McCabe:** I think the Committee has challenged you to that before, but I am asking about your personal ambition here.

**Dr Thérèse Coffey:** I am not planning to change that. I think it is a good target. It does not stop us wanting to go past the target but I think it is rational. We have about 900 disability employer advisers across the country now and we still have that constant focus.

I know that the new Minister, Chloe, is working across Government, recognising this is not just a DWP issue. As we are looking at different



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sector action plans for working with other Departments, understandably Chloe is right to continue to stress that we need to have a prism, a focus on that. She will be strengthening the push on the different challenges that we still want to try to help people overcome in going into work.

Q158 **Steve McCabe:** Thanks. I understand that the Department's own performance metrics include the disability employment gap. What was the success measure on that metric?

**Peter Schofield:** It continued to fall. I have realised, because you have drawn my attention to that metric, Mr McCabe, that it is a good answer to Sir Desmond's question earlier on concern about the disability employment gap rising.

**Steve McCabe:** Always happy to help.

**Peter Schofield:** Thank you. The latest statistic—I am reading from the NAO report that we discussed the other day—is now 28.4; pre-pandemic it was 28.9; back when we had the measure starting it was 33.1. We are continuing to see it fall and the trend continuing.

Q159 **Steve McCabe:** I understand that you are currently assessing the effectiveness of the Work and Health Programme. Can you tell us what you have learned so far and when you think that work will be complete?

**Dr Thérèse Coffey:** I don't know the answer to that.

**Peter Schofield:** The Work and Health Programme?

**Steve McCabe:** You were assessing the effectiveness of it. What have you learned up to date?

**Peter Schofield:** It continues until next year—I think it is November 2022—and then we will be making a decision about whether to extend. As with all our programmes, we look at evaluating the success of those who have been participants on the programme with an equivalent cohort, if we can find it, who have not been on the programme and looking at the way that works.

The key assessment is whether it has met the business plan objectives, basically, of having more people coming through that who have been in work for longer or been off benefits for longer. We are not ready to know what that is telling us but that will help us gauge whether to extend the contract or continue with a further iteration of the programme.

Q160 **Steve McCabe:** Will you be publishing that report, Secretary of State?

**Dr Thérèse Coffey:** I don't know the answer to that.

Q161 **Steve McCabe:** Are you going to tell me when you find out or am I going to be left in suspense?

**Peter Schofield:** These are normally decisions that we make at the time.

Q162 **Steve McCabe:** Maybe we will have to come back to that then. You will



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know that the Committee recommended that we have mandatory reporting from employers, particularly those employing 250 or more. In response you told us that the Cabinet Office was consulting on this. Has it consulted and what kind of conclusion has it come to, Secretary of State?

**Dr Thérèse Coffey:** It is a very good question.

**Steve McCabe:** I seem to be doing well with my questions, Secretary of State.

**Dr Thérèse Coffey:** The reason I say that is I know I have signed off a submission but I do not know the timing and I expect No. 10 has not given us a grid slot yet. I think there is a consultation ready to go but I don't know the timing.

Q163 **Chair:** A consultation on mandatory reporting?

**Dr Thérèse Coffey:** I cannot remember the—whatever was said in the National Disability Strategy.

Q164 **Steve McCabe:** I think I have got it here. We recommended mandatory reporting. You told us that the Cabinet Office was—I think you actually said—consulting. I presume you meant was going to consult on this.

**Dr Thérèse Coffey:** Yes. I do not recall all the 100-plus commitments word by word, but whatever we said we would do in the National Disability Strategy is what we will do.

Q165 **Steve McCabe:** I think that is another “watch this space”.

I have one last thing I want to ask about. There has been a suggestion that it might be better if there were smaller, more specialised work health programmes, perhaps based on the NHS integrated care system boundaries. I think you were looking at that in the context of some of the work we have done with the Greater Manchester Authority and one or two others.

I was struck by this, in particular, when I was looking at the National Audit Office comment that said that the Department does not really have a satisfactory measure of what works with work programmes and, therefore, it is pretty difficult to decide whether or not you are getting value for money. Have you given any more thought to having smaller programmes rather than the single national Work and Health Programme?

**Peter Schofield:** The Work and Health Programme is divided up into different lots and for Restart in a similar way.

**Dr Thérèse Coffey:** Geographic areas.

**Peter Schofield:** Yes, sorry, different geographic areas. There is more devolution with the Work and Health Programme within Greater Manchester and Greater London to the—



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**Dr Thérèse Coffey:** We have delegated authority and we want them to assess. I think Manchester is slightly ahead of the national average and London is slightly under at the moment.

Q166 **Steve McCabe:** Are there any plans to go further? I was trying to get at this idea of more specialist models. We had the Centre for Social Justice Disability Commission report and the Spinal Muscular Atrophy group suggesting that, if you really want to concentrate on people with particular disabilities, you have to have more than a generalised programme.

**Peter Schofield:** I think a lot of that is how the providers themselves, the people we contract with, work with local partners. A lot of things go on in different parts of the country with different partnerships where the partner that we work with will have arrangements with other organisations who have specialist expertise.

That is really the skill here: taking the individual and being able to work out what extra support they need, having the connections to invest in them and give them that support. I think that is one of the things that we will learn as we go through. I do not think that needs us to have very detailed contracts ourselves. I think it is about having those arrangements with our providers and checking that they are able to have those relationships through the system. Diversity here potentially helps.

Q167 **Steve McCabe:** It comes back to the National Audit Office claim that you find it very difficult to know whether or not your programmes are giving value for money because these are constructed on the targets you set.

**Peter Schofield:** I remember the report. I think it was the 2019 NAO report, wasn't it, and I gave evidence at the PAC after that? One of the things that it brought out was that evaluation often told you what had not worked as opposed to what had worked, which is frustrating although it does let you know what not to try next time round.

Often one of the difficulties with evaluation is having the control group for what would have happened if you had not had the scheme. From the start of the Work and Health Programme we had a randomised control trial, where you basically had people who the system said should be put on to the scheme and you don't and they become a control. Through the pandemic we felt that was the wrong thing to do because everyone should have the opportunity, so we suspended that element. That will make it more difficult, but I think there will be results coming out of that that we can draw on and build on over the period going forward.

Q168 **Chair:** Secretary of State, you said that the current target on disability employment is in parallel with narrowing the disability employment gap. Is narrowing the gap a formal target now?

**Dr Thérèse Coffey:** I am pretty sure it is in our manifesto commitment. I don't know what has made it into departmental plans. I do my best to fulfil our manifesto commitments.



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Q169 **Chair:** I certainly welcome the development. It is a sort of formal target.

**Peter Schofield:** The NAO report has the extracts from the ODP, which is for this financial year. Obviously, when I was at the Select Committee last time, you were asking me what the targets for the Spending Review period were going to be, or what are going to be the metrics for the Spending Review period.

Unfortunately, the answer is “watch this space” and wait until we have the ODP for next year. Obviously, this will come out. We are still waiting for a settlement letter from the Treasury and the detailed requirements that are set out through that, and then the—

Q170 **Chair:** If those goes well, you would expect there to be a target specifically on the disability employment gap; would you?

**Peter Schofield:** The word is “metrics” rather than “targets”, which I think was your challenge two weeks ago. This is for the Treasury, the Department and the Cabinet Office agreeing the ODP—I think this is what you are asking about—not the ODP for the current year, which is here in the NAO report, but the ODP for the period ahead. We will be publishing the extract of that in the normal way.

**Chair:** I would be very interested to see that. Thank you very much.

Q171 **Dr Ben Spencer:** Thank you, Secretary of State and Permanent Secretary, for giving us a minute today. My first questions are around statutory sick pay. In 2019 the Government did their consultation on Health is everyone’s business. Since then, we have had a pandemic and a report back from us as well in terms of where things are at with reforms. I think the last update we heard from the Department was that, as we live with Covid 19, we will be able to take a broader look at the role of SSP where work is ongoing to make sure we are getting changes right while our strong welfare sector continues to support those who need it. What work is ongoing and when do you expect we will be able to bring forward some proposals for Statutory Sick Pay reform?

**Dr Thérèse Coffey:** Ministers were engaged in discussions earlier in the year. Then we had a change in personnel at the Department of Health and Social Care. I think it is fair to say we are trying to resume those discussions.

Q172 **Dr Ben Spencer:** Do you have any idea of a timescale in terms of when things are going—

**Dr Thérèse Coffey:** No, I do not.

Q173 **Dr Ben Spencer:** All of us appreciate we have had a pandemic in between 2019 and the impact that has had in the Department. The Department rightly had to prioritise things like UC and so on, but it strikes me that the thing that is—



**Dr Thérèse Coffey:** This is not the sole decision for DWP. There is an element of collective Government across there and it is worth remembering it is BEIS who lead on employer's rights, employer's contracts, employee's elements, so it is important that they are part of the discussion too so we are trying to get quadrilateral discussions.

As I say, we had a change in personnel earlier in the year. We want to make sure that is well considered but there are different priorities in terms of getting that discussion going. I think it is fair to say that it is likely we will probably be in a better place to start discussing this again early in the new year.

Q174 **Dr Ben Spencer:** You said quadrilateral discussions. Who are the four Departments who are involved? BEIS, DWP?

**Dr Thérèse Coffey:** Health, Treasury. They are involved in almost all discussions.

Q175 **Chair:** When you say "a change of personnel", do you mean a change of ministerial personnel?

**Dr Thérèse Coffey:** Correct.

Q176 **Selaine Saxby:** I was going to ask about in-work progression. The Department received some extra money in the Budget and Spending Review to support in-work progression. Could you give us some detail on how that money is going to be spent?

**Dr Thérèse Coffey:** The intention is that it buys more work coach time to speak to people who are on low incomes, seeing who may already be working, so there is an element of that. We are still going through, again, a Government response to Ruby McGregor-Smith's review. I know that the Minister for Employment had hoped to get it out before the end of this year. I think it is realistic to say it won't be, but I will be doing my best to get it out in the next quarter.

I am excited about this. It is an opportunity. There was a good announcement done by Gillian Keegan in her White Paper very recently. One of the particular elements that Ruby and her panel had looked at was about social care. There is certainly a way forward in the White Paper that came out from the Department of Health and Social Care, which I think is positive for people going into care careers and how we help make that easier for people to progress in that particular sector. From our perspective, it is principally about extra work coach time.

**Peter Schofield:** Yes, £99 million over three years. We talked about this a couple of weeks ago but, as the Secretary of State says, work coach time, and there are two dimensions to that. One is understanding opportunities in the workplace for people on low pay in their local area to progress. The second is access to training and skills and equipping to enable people to take those opportunities.



We did some pilots on this a few years ago to see how you would develop a case. This will help us to build on the learning that we have done before, particularly, in those two areas: how do we understand local labour markets and how do we coach and support people to take opportunities in the labour markets with support around skills and training?

**Q177 Selaine Saxby:** Building on that, you have spoken there about skills and about pay but I also see—particularly in my own constituency work—an issue around low aspiration. Will there be any work within this to tackle that longer-term, possibly intergenerational, need to encourage people to want to move forward, not just introducing those opportunities because we can put all the money into skills but some people do not want to take up the training? Is there any work going into that space around aspiration?

**Peter Schofield:** That really is at the heart of what our work coaches do with the people that they meet anyway. At the moment, as I say, it is helping people out of work to find work. However, going forward, the same model can apply in terms of people who are in low paid jobs, helping them with the practical things—like childcare, transport and things—but also helping them in terms of aspiration and thinking about the potential and what might be possible for them.

I mean £99 million over three years is a relatively small sum of money in the overall scheme of things, so the point I made a couple of weeks ago is that we will be looking to try things, test things, and see whether we can then make a case that things we have tried are working and it is worth then further investment behind them. I hope this will support a number of different trials and projects, some around aspirations, some around skilling, some around understanding the labour market. We need to bring that together into a package for any individual to help them see the opportunities that might be there for them.

**Dr Thérèse Coffey:** It is also an important role for the National Careers Service. It is not the case in every Jobcentre but they are embedded in lots of our Jobcentres to have that element of what choices lie ahead for people. I think the other element is also recognising and saying it is not just a DWP issue, it is not just a DfE issue or, indeed, a Scottish Government issue or Welsh Government issue. We try to work collaboratively with other Departments as well, to get to grips and showcase what the opportunities are for people to do.

**Peter Schofield:** That is such a good point. We talked a little bit about this on Monday, in the context of Kickstart, seeing how what we do fits into the overall journey that any individual would have, making sure that we link up with the apprenticeship system or the skills system. A great example would be sector-based work academies where there is an opportunity for someone to have training and then work experience and then a guaranteed job interview. We are working closely with the FE colleges in the local area to make that happen.



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In the context of Wales and Scotland, something like Kickstart is placed into the Young Person's Guarantee in Scotland or the Young Person's Customer Journey in the context of Wales. Really importantly, we link up what we do in Jobcentres with what is available in the local skills and training context.

Q178 **Selaine Saxby:** You mentioned earlier on in that answer about transport and childcare and that was obviously highlighted by the In-work Progression Commission. Are there any specifics that are being done to address those issues?

**Dr Thérèse Coffey:** I think there have been aspects. Has there been, is it the Better Bus Strategy? In terms of trying to help with the cost of travel, we also have a special railcard for people looking for work. Of course, aspects of childcare can be supported through UC as well, as I know work coaches have a limited amount of discretion on use of the Flexible Support Fund.

It is fair to say there is about £6 billion roughly spent on childcare as a whole in the country. Most of that is through the provision of what is deemed to be the 30-hour week that has the majority of spending. That does focus on slightly older children, so we are looking at some policies about how we might help improve the situation for even younger children as well.

**Selaine Saxby:** I have some particular interest coming from such a rural constituency where we do not have much public transport. If you ever do need a constituency to come and get some examples, I would be very happy to volunteer my own.

**Dr Thérèse Coffey:** I had many childhood holidays in Combe Martin.

Q179 **Selaine Saxby:** You are always welcome back. The evidence that you are collating, you have spoken about monitoring the trials and the interventions that are being made. Is that a formalised process in terms of really understanding how these interventions are working so, if we come back to you next year, we would be able to look at whether there has been a tangible change?

**Peter Schofield:** I imagine you will want to hold us to account for that. The announcement for the £99 million was in the Spending Review. We are in the process of allocation, working out how we will do that. That will then have to be evaluated as we do that in a "test and learn" process, because the key thing for us is trying to see what we can do to boost productivity, boost support for people in low pay, and see whether we can make a case to expand provision in this area, which we will need a decent business case for with the Treasury. Therefore, we need to go through that evaluation.

Q180 **Debbie Abrahams:** My questions are predominately around safeguarding. You will be aware that last month your PIP contractor, Capita, paid substantial damages to Philippa Day's family after they had



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brought negligence claims against both your Department but also Capita. I don't need to rehearse the full details but this related to the 28 examples of systemic errors made by your Department through Capita, as identified in the coroner's report. Do you now accept, Secretary of State, that your Department does have a duty of care to claimants?

**Dr Thérèse Coffey:** As I have explained to the Committee a number of times, we do not have a safeguarding legal statutory duty. Of course, we always act with care and that is why we have a Serious Case Panel looking at themes that may flow through from different experiences.

We are always trying to improve the quality of life for people who we serve, and that is an ongoing theme right throughout the Department but, in particular, thinking of some of the extra resources being put into our advance service leaders in order to undertake that. The matter about Capita: it chose to settle on a civil action, pre-action stage, and that was its choice entirely.

Q181 **Debbie Abrahams:** In spite of what you say, Paul Gray, who was an independent reviewer of PIP as you will be aware, told the Committee last week that he believed the Government do have a duty of care to claimants. The Law Commission, as well, produced a report on this saying public bodies, such as your Department, do have a duty of care. I still find it difficult to understand where you are coming from in regard to this. Is this a question that you are concerned about claims for compensation, or is it that you are reluctant about admitting that there may have been errors that you need to put right?

**Dr Thérèse Coffey:** We are always looking for continuous improvement. We do take these things seriously but, as I said to you before, we do not have a statutory duty when it comes to safeguarding. That is set out in the Care Act.

Q182 **Debbie Abrahams:** When Paul Gray was here last week, he said he did believe there needed to be a new independent review of PIP. Again, is that something you would be willing to consider?

**Dr Thérèse Coffey:** Did Paul Gray work for the Department at some point? I do not know him.

**Peter Schofield:** He was Chair of SSAC and previously he was Permanent Secretary of HMRC.

**Dr Thérèse Coffey:** Oh, was he? I don't know him. I am not expecting to undertake any further reviews. We are going through policy proposals ahead of a White Paper that we expect to publish next year, but I am not aware of anything else that is being commissioned. Are you, Peter?

**Peter Schofield:** No.

**Dr Thérèse Coffey:** No, so I am not expecting to undertake anything further.



Q183 **Debbie Abrahams:** Paul Litchfield, another independent reviewer, was also at the Committee last week. He was responsible for the independent reviews of the work capability assessment for 2013 and 2014. For the first time, he was able to put on record that, during those reviews, he had not been supplied with the coroner's Prevention of Future Death Reports during that time or 49 peer reviewed reports on the death of the claimants.

He was not supplied with those as part of his process to independently review work capability assessment. This is on the record: he said that this may have affected his report and the recommendations that he made within his report. He also called for an independent review of work capability assessment. In this context, will you be considering an independent review into the assessment processes?

**Dr Thérèse Coffey:** I am not considering an independent review. I know there is a lot of work ongoing, on the basis of the papers we publish this year and with the intention to publish a White Paper next year. Again, I am afraid I do not know the individual. As far as I am aware, the coroner is the person responsible for allowing the release of any reports. That certainly would not be in the Department's gift, and I don't know the story or the basis of his views that he believes he was not shared information so I do not know about that. I don't know why he thinks he was not shared stuff.

Q184 **Debbie Abrahams:** With respect, Secretary of State, I just asked you whether your concern about admitting a duty of care, which so many organisations and individuals with expert experience believe is there—you already have it in a number of laws already in place—and you said, no, you are always learning.

I just provided you with two examples of where independent reviewers have said either they were not supplied with stuff. Paul Gray also said that he was not supplied with information about deaths for people under PIP. I just mentioned Paul Litchfield who was not supplied with Prevention of Future Death Reports or peer-reviewed reports to inform his report and his recommendations. Does this look like an organisation that is learning from the issues that are being presented to it?

**Dr Thérèse Coffey:** The coroner's reports are in the hands of the coroner. They are not in the hands of the Department.

Q185 **Debbie Abrahams:** They are if they are Prevention of Future Death Reports that are supplied to the Department for the Department to take action on.

**Dr Thérèse Coffey:** I am not aware that they are public. I don't know the basis of, is it Mr Litchfield's—

Q186 **Debbie Abrahams:** Mr Litchfield was not supplied with those. He was contracted by your Department. I appreciate—

**Peter Schofield:** When did he say that was, sorry?



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**Debbie Abrahams:** It was 2013 and 2014. I appreciate that you were not in the post and it is your predecessor.

Getting back to my point about if you are—and I do believe the sincerity around this—a learning organisation, I am presenting you with evidence from last week where two independent reviewers said they were not supplied with information. They believe you do have a duty of care and it seems to be being rebuffed.

**Dr Thérèse Coffey:** We certainly do not have a statutory duty when it comes to safeguarding. We do not. Whatever they wish it to be that is not the law in terms of a statutory duty on safeguarding.

Q187 **Debbie Abrahams:** I have mentioned also that both of them said there should be an independent review on the assessment process.

**Dr Thérèse Coffey:** I told you that I am not intending to undertake any further independent reviews. I have indicated we are going through a White Paper process, based on a Green Paper from earlier in the year, and the kind of investigations that we have been doing. I am not convinced we need more reviews in order to inform our plans.

Q188 **Debbie Abrahams:** I don't know what to say to that, given I have just said that previous reviews did not have all the evidence supplied. You are saying, "Well, on that basis, I am still not prepared to do another review", but the Committee and people watching this will draw their own conclusions, Secretary of State. It is a concern.

**Peter Schofield:** Can I draw the Committee's attention to evidence that we gave two weeks ago in the context of a listening and learning organisation?

I cannot speak for a review that was done in 2013-14, before either of us were in the Department, but I can draw the attention of the Committee back to the evidence we described in terms of two broad things: one, as the Secretary of State has said, is the work of the Serious Case Panel, which is absolutely there to learn from when things go wrong and to draw from the themes. We went into some detail some weeks ago on some of the themes that have been drawn out and how that has changed the way that we work. Obviously, the minutes of the Serious Case Panel are published and the work of the Serious Case Panel—

**Dr Thérèse Coffey:** The next one is tomorrow, isn't it?

**Peter Schofield:** The next one is on the 9th. Yes, tomorrow. As well as that, we have the detail in the annual report and accounts on the work of the panel. The second thing is to think about some of the work we have done to change the way we do assessments.

Two weeks ago, we talked about the work of the Health Transformation Programme and the health transformation zones, where we are trying different ways of managing the health assessment process. For example,



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using case management where, when someone makes their application to PIP, they would be contacted straight away by a DWP member of staff who would take them through the process and help them understand the nature of the evidence that we would be collecting and why and what PIP is all about.

It is one of the things we are testing through that process and through that programme. Then, more broadly, what we are doing on the Health Transformation Programme. I want to give the Committee that sense that we are listening and learning and we are looking at all of these different things together.

Q189 **Debbie Abrahams:** Yes, I understand what you are saying. As I said before, I do believe there is sincerity around that but it does not negate the previous points that I have made.

Very briefly, you will not be aware of this but the Bishop of Durham has written to the Committee and has called for an independent review on benefit deaths. Given that you have very rightly said that you are a listening and learning organisation, I do hope that, when we write to you around that, that you will also consider it very seriously and in the context of the other points that I have made.

**Chair:** Debbie, the letter from the Bishop of Durham suggests that we should carry out an inquiry on benefit deaths.

Q190 **Debbie Abrahams:** There you go. Thank you very much, Chair, for correcting me on that point.

I want to ask you very briefly about the Budget analysis that indicates a further £70 million in cuts in disability benefits over the next three years. You will know that half the total number of people in poverty have a disabled person living in their household; 4 million of them. I just wondered, £70 million after all that they have been subject to over the last 10 years, an average again of a disabled person, a disabled child, losing £6,500 per year from their household budget. What explanation can you give to the Committee about why disabled people are being put through this even more?

**Dr Thérèse Coffey:** Remind me who you said did the analysis, sorry? I did not catch it.

Q191 **Debbie Abrahams:** This is a budget analysis that has been sent to your Minister for Disabled People.

**Dr Thérèse Coffey:** Do you know who it was done by?

Q192 **Debbie Abrahams:** It was done by colleagues. It has been done in turn, I think, through the House of Commons Library.

**Dr Thérèse Coffey:** I do not know about that and if a letter has been sent to Chloe from the Committee, then I am sure she will respond.

Q193 **Debbie Abrahams:** So £70 million is not being cut from disabled



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people's disability benefits?

**Dr Thérèse Coffey:** Not that I am aware of, no. We will all be voting soon on the rises for disability benefits. I do not know the basis of their analysis so it is difficult for me to give you a response, Debbie.

**Debbie Abrahams:** It would be useful to—

**Dr Thérèse Coffey:** If correspondence has already gone to Chloe, then I am sure that will be dealt with.

Q194 **Chris Stephens:** When you appeared before us in July, you told us in evidence that the rollout of Universal Credit would be complete by the end of 2024 and that you would hold Ministers and officials to account on that. In October, the Budget made clear that UC will not be fully rolled out until March 2025. What has changed and can you spell out the ways you have held Ministers and officials to account?

**Dr Thérèse Coffey:** We still have three years to go. I am still expecting it to be completed by the end of 2024. I do not know exactly the table you are referring to, but it may refer to the financial year of 2024-25.

**Peter Schofield:** No, I explained it to the Committee two weeks ago. I will refer you back to the evidence I gave two weeks ago.

Q195 **Chris Stephens:** Secretary of State, the OBR's working assumption is that Universal Credit will not be fully rolled out until midway through 2026-27. Do you think the OBR has it wrong, and if the OBR does have it wrong, why does it have it wrong?

**Dr Thérèse Coffey:** The OBR has consistently assumed that it would be later than what is intended. That is its judgment. I respect that it has that independent view but that is not the intention. The Permanent Secretary can answer whether he feels I am holding his feet to the fire on it.

**Peter Schofield:** I can confirm that the Secretary of State is holding my feet to the fire.

Q196 **Chris Stephens:** I think there was, obviously, some conferring there but we will come back to Mr Schofield later.

Secretary of State, in the recent OBR there are now eight reported forecasts for rollout that have averaged another five years wait for completion. It is a bit like a ship's bow wave, isn't it? It is always moving with you but always a steady distance out of reach. You are committing to us as a Committee that you are going to achieve the target by the end of 2024. With the resource implications, are you going to come back to us at some stage extending it again someday, blaming lack of resources for not implementing?

**Dr Thérèse Coffey:** Blaming what, sorry?

**Chris Stephens:** Lack of resources for not implementing.



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**Dr Thérèse Coffey:** I can assure you that it is my full expectation that it will be completed in three years' time. I think that a couple of things have happened recently. Obviously, the change in the work allowance and the taper rate makes a significant difference to people that may make their prospects more likely to switch voluntarily. In terms of a focus on that, I think that is why we are still, in effect, revising plans that may have been prepared in the past in light of this very recent change in the dynamics.

I think the other element is I know that recruitment has started in terms of Java programmers. That is probably one of our most significant programme risks and will continue to be a risk, but I have confidence in some of the partnering that I am expecting to happen with IT companies to help us with that.

Q197 **Chris Stephens:** Thank you. We look forward to holding you and your feet to the fire, Secretary of State.

**Dr Thérèse Coffey:** Absolutely, if I have the great fortune to still be in this post.

Q198 **Chris Stephens:** Indeed. Mr Schofield, you have reminded us what you said two weeks ago, which is you had acquired the funding and the Spending Review to finish this on time. What are the potential consequences of missing your deadline, bearing in mind we have just been reminded that your feet are being held to the fire?

**Peter Schofield:** Warm feet I suppose is the obvious answer to that. In all seriousness, the consequence of rolling Universal Credit out to the entirety of the working age population, I think, will be a phenomenal change in terms of incentives to work, in terms of clarity and simplicity for people, increasing take-up of those benefits because you bring the six benefits together into one. Obviously, it also has some efficiency savings in terms of admin savings in the back office, the additional costs in the front office, for more people in conditionality.

The Spending Review makes the assumption that we complete in the final financial year of the Spending Review. The difference between December 2024 and March 2025, just for clarity, is that December 2024 is when the last people should have been through the process of being called through to make their claim into Universal Credit, but the regulations allow three months for people to have made that claim. The Treasury and the Department are still talking about the same date; it is just that they measure at one point and we are measuring at another, but it is the same thing. We would want to have everyone into that stage by December 2024.

**Dr Thérèse Coffey:** I am very proud of the UC system. I am still not quite clear what the policy of the Opposition is on it, but I appreciate that is not for scrutiny here today. To give you an example, with the taper rate announced at the Budget, we moved at pace to get the regulations



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in place and were able to bring it forward by a week from what was originally planned for 1 December. By just doing that alone, we are helping an extra 500,000 people before Christmas to make sure they get the benefit of the reduction in the taper rate and the work allowance. That is a huge bonus to people. Obviously, it is not just Christmas, it is every payday ahead of them they will be helped by this.

**Q199 Chris Stephens:** Let's move on to the managed migration pilot. You told the House on 8 November that you are not envisaging a need for the pilot of managed migration to Universal Credit that just took place in Harrogate to be resumed. How many households moved to UC as part of the pilot before it was stopped in March 2020?

**Dr Thérèse Coffey:** I am trying to recall. It is less than 100, isn't it?

**Peter Schofield:** It was about 70, I think.

**Dr Thérèse Coffey:** One of the things moving forward, I am not sure we need to resume that particular pilot. There is no doubt that we will be testing approaches, recognising the complexity of the remaining people still on legacy benefits, so I am still anticipating that aspect of learning, but I do not think resuming that specific Harrogate pilot is what is needed. I think we need multiple elements of learning. In some areas we need to work with other Departments, including HMRC, to see if we can move at a quicker pace for a variety of people. That is still part of the plan being finalised.

**Q200 Chris Stephens:** The figure you have given of 70 people is quite small. In the previous Committee's report in 2019, you will recall a number of tests: the Department should demonstrate through the pilot some of those were tests on the payment timeliness, work coach and assistance performance, impact on claimants and claimant satisfaction. Do you believe that the sample from Harrogate leaves these measurements statistically meaningful or is the Department ignoring the recommendations from this Committee?

**Dr Thérèse Coffey:** Broadly, we have more than a doubling of people on Universal Credit, so there is an element of learning that we can take from what we have experienced in that regard. Can the system cope? We processed 100,000 in a day, so there are elements of capacity in that regard.

Our payment timeliness is consistently around 90%. That is more than what we had before, so our lived experience means that some of the things that, perhaps understandably, the Government wanted to test before, we have shown we can reliably do week in, week out. That is an important thing: to have the learnings from back then basically already under our belt. That is why I think resuming Harrogate specifically is not needed.

**Q201 Chris Stephens:** The longer it takes to achieve full managed migration, the higher the numbers of people who will move to UC through natural



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migration and, therefore, the concern we have is that many will lose out on their possible entitlement to transitional protection. Could you provide an estimate of the Department's net savings from transitional protection payments due to these ongoing delays?

**Dr Thérèse Coffey:** The answer is no, because we are not approaching it from that side of thinking at all.

Q202 **Chris Stephens:** You understand the point and the concern we have, Secretary of State?

**Dr Thérèse Coffey:** I do entirely, Chris, which is why I am keen to accelerate some of our managed migration. I am conscious, again, that we are dealing with quite a wide spectrum of needs and lived experiences of people.

At one end you have people who are still on tax credits, still trapped by that 16-hour cliff edge and what lots of organisations have built their contracts around, by the fact they cannot get people to work more than 16 hours because it is not worth their while. Whereas, at the other end you have people who need that element of constant support and a very different element of vulnerability. This is still many millions of people to get through and I am conscious, absolutely, about the important protections that are in there with transitional payments.

Q203 **Neil Coyle:** A few months ago there was a lot of concern about the loss of the Universal Credit uplift facing so many claimants, £86 a month, which probably wouldn't have covered the cost of cheese and wine at a Downing Street Christmas party. The Government's answer to that was to change the taper back to the level originally envisaged by the former Secretary of State, who introduced Universal Credit, Iain Duncan Smith. That has been implemented very fast. The Department deserved credit for that and it shows that when the political will is there, things can be done a bit quicker. Secretary of State, you just said that only 500,000 people benefited from that change. Is that the Department's analysis—that only 500,000 of all Universal Credit claimants benefit from this change?

**Dr Thérèse Coffey:** No, it was by doing it a week earlier than perhaps was originally planned for 1 December. Our officials worked at pace on both writing the regulations and making the coding changes, so an extra 500,000 will benefit before Christmas.

Q204 **Neil Coyle:** How many Universal Credit claimants benefit from the taper change?

**Dr Thérèse Coffey:** That is a very good question. I am trying to remember our estimate. It is about 2 million.

**Peter Schofield:** 1.9 million.

**Dr Thérèse Coffey:** Two million households.



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Q205 **Neil Coyle:** As a percentage, that is about 40%, is it?

**Peter Schofield:** Yes. It is the ones who are in work.

Q206 **Neil Coyle:** By your own admission, 60% of people, something like 3.6 million according to the Resolution Foundation, lose out as a result of this change?

**Dr Thérèse Coffey:** It was a temporary uplift, as has been much debated in Parliament. I can read to you our reports from Hansard debates on that, if you wish, or previous oral questions.

Q207 **Neil Coyle:** You accept the Resolution Foundation's analysis that 3.6 million people are worse off, despite the taper change?

**Dr Thérèse Coffey:** That is the Resolution Foundation analysis.

Q208 **Neil Coyle:** What is the Department's analysis?

**Dr Thérèse Coffey:** It is very clear that we were putting in place a temporary uplift, which was extended until the autumn. It was always clear it was going to be temporary, reflecting aspects of Covid.

Q209 **Neil Coyle:** Yes, I get that, but what is the Department's analysis of how many people do lose out after the uplift is gone and with the taper introduced?

**Dr Thérèse Coffey:** The uplift has gone and the change in the taper rate is clearly an incentive to help people to get into work and to get on in work, along with the work allowance.

**Peter Schofield:** Mr Coyle, in the Treasury's distributional analysis that it publishes at every fiscal event, as it did at the last Spending Review and Budget, the stats and analysis are out there, looking at all of the welfare changes and spending changes over the period since 2019. That does it by different deciles, if I remember rightly.

Q210 **Neil Coyle:** It is about three-quarters, after all measures are taken into account who are worse off as a result of the cumulative effect?

**Peter Schofield:** I don't think that is what it says, but I don't have the Treasury's analysis with me.

Q211 **Neil Coyle:** I think the number is in the public domain, but it is not just the number, it is who this is. This is disabled people, people with long-term health conditions, people with childcare responsibilities, like the Chatty Mums Club. They have said they cannot take on more hours of work because of the cost of childcare outweighing the benefit of taking on extra hours. You have chosen a policy that makes the worst-off people with limited options even worse off. What were the other options that were considered alongside changing the taper rate?

**Dr Thérèse Coffey:** Can I go back to the issue of childcare that you have just mentioned? If those constituents of yours you have just referred to are on Universal Credit, I strongly encourage them to go and



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Speak to their work coach about access to the UC childcare. That is about 85% of childcare costs, admittedly with a cap, but it should be open to them to take advantage of that.

**Q212 Neil Coyle:** They are aware of that. In London, the childcare costs tend to be higher than average, so if you want to talk to them directly, I am more than happy to facilitate that meeting. I think it would be great if you were willing to do that.

**Dr Thérèse Coffey:** No, I think the best thing is to speak to the work coach, because they are the people who know about it.

**Q213 Neil Coyle:** My question was about the options that were considered at the same time as the taper. What else was on the table? What else did you consider doing?

**Dr Thérèse Coffey:** I am not getting into discussions that we had. I am very pleased with the outcome.

**Q214 Neil Coyle:** You are pleased that the worst-off have been made worse off?

**Dr Thérèse Coffey:** I am genuinely pleased with the outcome of the work allowance. We recognise that was a temporary uplift and it was extended during the year, recognising the effects of the pandemic were still significant in that time. It was decided to keep a lot of policies extended, including things like the self-employed grants, including furlough, and it was all brought together by doing the uplift at the same time.

**Q215 Neil Coyle:** One of the reasons I ask is that you made reference to the manifesto. In the manifesto it said income tax would not go up and it is going up. The Resolution Foundation and others who have looked at the cumulative effect of Government changes in policy show that income tax rises and price rises mean the benefits of the taper are wiped out for those who do get it, but the majority of Universal Credit claimants do not get it.

Riddle me this: how are you levelling up with this policy when you are picking the pockets of the worst-off, or is levelling up not your Department?

**Dr Thérèse Coffey:** It is a cross-Government mission about levelling up. One of our things is to help people get back into work and to get on in work. At the same time there has been significant investment in support funds. Some of them were very Covid-specific, particularly focusing on families with children. We now have a £500 million support fund. Of course, it is for the devolved Administrations to decide how to spend the monies allocated to them out of that £500 million, but our focus is more balanced on this particular support fund for households by ring-fencing effectively half of it for families with children, but it is open to local councils to do that targeted intervention to help families in need this winter.



Q216 **Neil Coyle:** I think the gulf between what you are claiming is happening and what people are experiencing gets wider by the day. Let me try to end with a positive, then. Would you care to add your thanks and gratitude to the Jobcentre Plus staff in Southwark, who are doing a fantastic job to co-ordinate support to Afghan refugees who were put up in the borough without any notification in advance by the Home Office?

**Dr Thérèse Coffey:** Absolutely. I know right across the country we have work coaches and other specialist people, I believe, absolutely working there. I met an Afghan gentleman just by chance when I was in the jobcentres in Sheffield recently and I know how hard the teams are working. I have also seen good experiences of work coaches clubbing together, raising some extra money for some extra support for people that they are trying to help as well. I am very proud of the mission that we have played a small modest part in, but genuinely, thank you, and certainly I will ensure that they get specific thanks and make sure that they know you raised their great work in Southwark as well.

**Peter Schofield:** Just to add to that, Mr Coyle, I am very grateful to you for saying that, but I also want to pay tribute to the hard work of colleagues in every Jobcentre in every part of DWP all across the country. It has been a tough year.

**Dr Thérèse Coffey:** It is happening in Basingstoke; it is happening right around the country.

**Peter Schofield:** On a whole variety of fronts. It has been a very tough year for so many folk and I am very proud of the work that DWP has done and our colleagues have done on the front-line, so thank you, Mr Coyle, for mentioning that.

**Dr Thérèse Coffey:** Again, we moved quickly to change regulations to enable some of that to happen.

Q217 **Nigel Mills:** Secretary of State, I think you are a few days from becoming the second longest-serving holder of your post since the Department had its current post, which probably does not say much about the amount—

**Dr Thérèse Coffey:** Since when?

**Nigel Mills:** Since 2001, when the Department was merged.

**Dr Thérèse Coffey:** I say since 2010. I achieved that quite a while ago.

Q218 **Nigel Mills:** Yes, 20 years. You would be the longest-serving. I think when you first had the job, you gave your Department an eight out of 10 rating for performance. Do you have any update on that? You have had an interesting two years to improve performance.

**Dr Thérèse Coffey:** I think on some of them we have hit 10 out of 10.

Q219 **Nigel Mills:** Some?



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**Dr Thérèse Coffey:** I think there are other elements. The Department has, I think, operated exceptionally well and it has been responsive, but—I am not going to pretend otherwise—there are some things that have not gone as well, if we think about state pension underpayments.

By and large, most of it has worked very well, but this has exposed some of the issues that we have been facing. I know that you have given evidence before. I pay tribute to my Ministers, as well, that we have lifted the lid and we haven't closed the lid. We are going to fix some of this stuff. I think that Peter in particular has been very proactive as Perm Sec in fixing this.

I think there are some things we could do even better. Sometimes it is probably a bit frustrating for some of my officials. I spent 12 years at Mars and I am bringing quite a lot of operational ongoing continuous improvement. It is not saying what we had in every part of DWP is bad. It is just how we can get better and better. I think that is something we should all be trying to do right across government in what we are trying to do. Peter, given that you are principally responsible for the operational—but I am still accountable, of course—you might want to add.

**Peter Schofield:** It is a fair challenge. I was with the Public Accounts Committee talking about the state pension correction exercise back at the end of October and it is an example. I brought with me Amanda Reynolds, who is a relatively new director general in my executive team, who has come new to the Civil Service, and her focus is absolutely on this continuous improvement and what we can learn from situations.

It is situations where something has gone badly, but also situations where we can learn from complaints data that is coming in or where we can learn from underpayments that we are seeing or errors that we have identified. How can we then pull from that maybe patterns of activity that we need to then address?

It feeds into the way that we operate our business, so that sense of feedback coming through, it is to make our organisation even more great going forward. I will not go into the marks out of 10, but for me it is when I see the impact that we have on our country and on our communities when we get it right. It makes me all the more motivated to get it right all the time everywhere.

Q220 **Nigel Mills:** I asked you to raise what your priorities were as you continue your lengthy stint in the Department, by historical standards. What are the couple of things that you would most like to deliver in the next couple of years?

**Dr Thérèse Coffey:** I think our mission is clear: maximising employment, in terms of improving quality of life for people. I use the phrase "being boringly brilliant". I think formally in our plan it talks about



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providing excellent services for the citizen and the taxpayer. That for me is an element of ongoing continuous improvement.

If I think about some of the other things that probably we rarely get to talk about—understandably, and I am not criticising the Committee in any way—we were up at COP 26. The work that we are doing on pensions regulation and making a shift in that, not only the success of the auto-enrolment—we have an extra 10 million people paying into paying pensions that probably never would do. We are genuinely world-leading in what we are doing to try to get the stewardship, the achievements towards net zero and thinking about investment.

I was at a roundtable at No. 10 with the PM and the Chancellor very recently about getting this mobilisation, setting regulations in place and transparency. There are elements there. We have made good progress, but I am excited about what can still be done and our job is to be shepherds to some of this, rather than recognising fiduciary duty trustees.

At the moment, I am discussing within the Department whether we should make 2022 or potentially 2023 the year of the trustee and see what we can do to do more on elements of that. There are a variety of things where I am genuinely excited about a number of aspects of nuts and bolts, but the other things. This is the first time in a year we have collected more than £1 billion in a year on child maintenance. That is going to help children and lifting them statistically out of poverty. Candidly, it is those sorts of things where we are trying to make improvements on a daily experience for millions of people—or hundreds of thousands of children in this case—to have a better quality of life.

It is that shared mission. I know people think I am a bit glib about this. We do genuinely have a Department of wonderful people who are motivated day in, day out, to try to make that positive difference in people's lives. I think that is one of the most exciting things about DWP.

**Q221 Nigel Mills:** Probably the thing that is dominating my inbox today, aside from Christmas parties, is the rise of the cost of living with energy bills and other costs. I think you told us in July you were chairing the inter-ministerial group on cost of living. How is that going? How will that make some difference to the increasing pressures on all our constituents at the moment?

**Dr Thérèse Coffey:** We have been doing different elements of themes, thinking about how we can help support in that. We have not come to our conclusions, but there are constantly things that kind of get informed. BEIS in particular lead on fuel poverty, for example. There are also the challenges and the benefits that we have seen of the price cap, but that is ongoing work.

Again, it is not DWP's role to fix every issue when it comes to that, but we do have the shepherding/convening element, recognising the cost of



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living can be challenging—frankly, not just for people on in-work benefits or out of work benefits, but wider. We will continue to do that work. I am conscious as well about some of the other elements that we want to try to improve access to, some of the barriers that people face in order to get into work or to progress in work as well.

**Q222 Nigel Mills:** Bills are already going up. I think we are expecting inflation to hit 4.4% next year and we are about to increase the National Insurance that people will pay on their salaries. Should there be a bit more urgency in trying to help people through the crisis before it is over, rather than having well-meaning groups and talking about things but nothing tangible?

**Dr Thérèse Coffey:** The biggest role that DWP can play is getting more people into work. Our analysis is that about 1.8 million people are receiving financial support to look for work. I am conscious some of those people are awaiting, for example, a work capability assessment. I am conscious that that includes quite a lot of people who are declared self-employed.

We are going through that whole process at the moment now we are able to resume the exercise of what is called the gateway review for gainfully self-employed test. In essence, we have about 1.1 million to 1.2 million people who I think are self-employed. Certainly, in terms of being seen in the Jobcentre, we are well over 450,000 face-to-face interventions every week as well as telephony.

If we can shift an extra few hundred thousand people in the next few months to fill those jobs in the supply chain challenges that we have, that is absolutely the real push that is happening. I am very conscious we have all sorts of starts, but the main goal of our Department is job start, whether that is through Kickstart, Restart or JETS, it is getting people to start jobs. Pretty much about 100,000 are getting into work every month and we want to continue to increase that.

**Peter Schofield:** That 1.8 million figure that the Secretary of State described was 2.5 million in March so it has been coming down steadily since then, by about 1% a week. The Secretary of State is right: we see a massive opportunity here to fill those 1.2 million vacancies. Our role is to fill those, whether it is using the types of provision we have described or simply to help young people or older people into those opportunities. That is something that our work coaches are doing each and every day.

**Q223 Nigel Mills:** Just a couple of quick points. Where are you on the measure of poverty statistics? I think we encouraged you to use the ones that the Social Metrics Commission came up with, but you were still under consideration. I think you had suggested that you favoured measures of material deprivation, Secretary of State. Are you anywhere near decided what measures of poverty you would like to use?



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**Dr Thérèse Coffey:** I still favour the material deprivation because I see that as a kind of focus on the poorest people, where we can add most value, in addition to people getting into work, but I am not in a position yet to say when we will conclude our deliberations.

Q224 **Nigel Mills:** Is that this year, next year?

**Dr Thérèse Coffey:** It will not be this calendar year. It is about capacity, to some extent, Nigel. We still continue to have our statutory measures, which we are doing. We have increased the sample size of the Family Resources Survey. That is an ongoing process over the next few years because I want to be able to peel a few more layers of the onion, so we can go down a level somewhat more. There is an element of aspects like that, but we have our strategy elements now. I have a particular focus in aspects of policy delivery but, candidly, I need us to get on with the job, not worrying all the time about bits of statistical analysis.

Q225 **Nigel Mills:** As a final one, the historical institutional abuse compensation for people who suffered in Northern Ireland. That is disregarded for benefit calculations in Northern Ireland but not yet on the mainland. I think we were promised over a year ago that that would be sorted out. Is that in hand?

**Dr Thérèse Coffey:** Remind me, are you on the Select Committee for Northern Ireland as well or you used to be?

**Nigel Mills:** Not any more.

**Dr Thérèse Coffey:** The reason I say that, have you received my letter?

**Peter Schofield:** I have received your letter.

**Nigel Mills:** You are writing to each other now? It doesn't sound to be—

**Peter Schofield:** There are sometimes some formalities that need to be done.

**Dr Thérèse Coffey:** You will see the letter and then you will realise why I write the letter. Let's be straightforward about this. The original legislation was passed by Parliament and it only applied to Northern Ireland. There are a variety of reasons on why this has taken longer to look into. There are also situations elsewhere in having a consistent approach, but I am very hopeful that will be sorted. Do you think it will get done before the end of the year?

**Peter Schofield:** I do hope so; end of the calendar year I mean. Now I have your letter I think we can move forward quickly.

Q226 **Nigel Mills:** Is that a direction then in terms of a ministerial direction?

**Dr Thérèse Coffey:** I cannot possibly comment. There are a lot of formalities, I am afraid. I know this sounds very dull and all the rest of it, but there are proper processes we have to go through and I think there is



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something we have to do in legislation, isn't there? There are a few things we still need to do before we can definitely answer one way or the other, Nigel, but I assure you officials and Ministers have been working on it.

**Nigel Mills:** You just said "this year". That gives you—

**Dr Thérèse Coffey:** I know. In Civil Service talk a lot of them—

Q227 **Nigel Mills:** This calendar year, this financial year?

**Dr Thérèse Coffey:** No. There are a number of activities that still need to happen and I just don't know. I know some of them cannot happen until the next calendar year, but still within the fiscal year. We have to do those.

**Peter Schofield:** I know.

**Dr Thérèse Coffey:** As this is out on the BBC Parliament channel I am not going to consciously start—

**Peter Schofield:** We will do it as quickly as we can. Some of the key processes have already been done. We have one or two other things that need to be done.

**Dr Thérèse Coffey:** Yes, we are certainly along the journey.

Q228 **Dr Ben Spencer:** Can I go back to the topic of cost of living again? As you know, it is an area that is of great concern to me, particularly in terms of the topic of childcare. I agree with your statement that the first role of the Department is to get more people back into work and that is the primary way of dealing with the cost of living.

We have heard evidence from people coming to this Committee that childcare, lack of availability, but mainly childcare cost, is a barrier to people getting into work. It comes up on the doorstep for me all the time. Just earlier this year I spoke to a couple in Weybridge. The lady I spoke to said she wasn't sure about going back to work because of the impact of the cost of childcare in terms of how much would come out of her salary. It affects people completely across the board.

I appreciate the Department is doing a lot in terms of the people on UC, but we have heard that, even with the 85% coverage, that is still leaving some families with £300 for childcare, plus the way that it is set up that they have to pay for the childcare up front and then claim it back, which is a barrier if you are in a financially fragile situation.

How ambitious are you in this Department in terms of really cracking the nut on this one and sorting out childcare in the UK? Because, quite frankly, provision and cost I think is absolutely appalling. I think it is a serious problem that we have, when, families, people, single parents, tell us that they do not want to go into work or they cannot go into work because of childcare. I think it is something we need to get sorted.



**Dr Thérèse Coffey:** Childcare is the primary responsibility of the Department for Education. Indeed, devolved Administrations undertake in that regard. It has been very helpful that Will Quince has moved from the Department of Work and Pensions to now be in the Department for Education because he has that wider understanding of different elements of how childcare comes into play. I am in discussion with other Ministers about how we can improve this element, but I am not going to try to say that DWP will suddenly get involved in running childcare because it is not.

I am very conscious that it is a challenge for people getting into work and, potentially, that is either about progressing in work or doing more hours and similar, so I can assure you we are in discussion. Of course, the Treasury is another element. I think it describes it as the tax-free childcare where for every £800 that gets paid by a parent, they get £200. I understand your concerns about this. I cannot really say any more, because we are still in discussion.

**Dr Ben Spencer:** Thank you. I appreciate it is a difficult nut to crack and it is one that requires different departmental work. Even the 30 hours free childcare, which is a fantastic pledge of support from the Government, in constituencies such as mine I think all the childcare providers end up topping it up because of the cross-provision. Even on measures that were brought in, which are great, they still do not quite cut the mustard in terms of delivering on childcare.

Q229 **Siobhan Baillie:** Parents I have spoken to that are on Universal Credit do feel that the offer is a good one. However, those thorny issues of the upfront payment cause real problems to quite a lot of families and the cap in London, in particular, but also the south-east for childcare becomes quite inequitable when they are trying to practically get it. Has the Department done any recent analysis on making changes to those two elements of the Universal Credit childcare policy?

**Dr Thérèse Coffey:** This will be one of my least popular answers: we are in the middle of a court case so I am not really in a position to go into aspects of that.

Q230 **Siobhan Baillie:** Do you know when the court case will be concluded?

**Dr Thérèse Coffey:** I am trying to remember.

Q231 **Siobhan Baillie:** This is something I have asked the Committee to look at so it is quite relevant.

**Dr Thérèse Coffey:** I understand. I am trying to recall. I think we won the Court of Appeal case and we are awaiting the intention of the person who lost the appeal. I think they are trying to get this back into court again. Obviously, I cannot speak for that person. Our intention is, as it always has been, it is retrospect and there are good reasons for that but I would struggle to say much more now, given likely further legal action.

Q232 **Dr Ben Spencer:** Just to follow up. In terms of the cross-departmental



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work on childcare, am I right in my understanding that childcare costs is a feature of your cross-departmental cost of living strategy? Is that one of the tranches?

**Dr Thérèse Coffey:** I don't know about the actual individual elements of costs, not in that level of detail, but there is already a statutory duty. I cannot remember if it is on the Secretary of State for Education or if it is on local government to ensure there is sufficient provision. I cannot quite recall the relevant legislation. Somebody has a statutory duty to work through that and it is certainly not DWP.

Q233 **Dr Ben Spencer:** On the cost of living strategy that you are leading on, is childcare costs part of that?

**Dr Thérèse Coffey:** That has come up as a theme. I would say there is more detailed discussion happening. The cost of living task force that I chair is—or group, is it not a task force—an umbrella where we can bring up different issues. That does not mean we need to resolve through all of that specific group every single issue. There are separate discussions ongoing because the inter-ministerial group that I bring together has quite a lot of Departments. We are not going to use the time for every specific issue where we can go off separately and have those discussions.

Q234 **Dr Ben Spencer:** In terms of how it works, essentially, it is left to the responsibility of the Department for Education in terms of tackling it?

**Dr Thérèse Coffey:** Yes, the Department for Education has the lead responsibility because it is its element, but we are discussing it with the Department.

Q235 **Dr Ben Spencer:** What are your priorities then around the cost of living taskforce or group? What are the themes in terms of what you are—

**Dr Thérèse Coffey:** There is evidence there about separate groups looking at aspects of childcare, access and availability but the costing element—there are different things about energy, there are things we are looking at in regards to utility bills more broadly. There have been some brilliant initiatives working with DCMS and broadband suppliers and others. We now have a great programme brilliantly done by TalkTalk who is providing free broadband to people looking for work.

We are not waiting for some big bang. Where we see an opportunity and willing partners, let's get on with it and that is what we are doing. We are not holding back, recognising the challenges that people are facing right now. There are other things that may need further policy discussion about practical ways we can try to help people.

I do not know quite where BEIS is at the moment on—we do not have a consistent warm home discount eligibility criteria. We do for the basic one, which is the principal one, but there might be more work that wants to be done. British Gas may have one extra scheme, someone else may



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have another, so it varies. It is quite wide-ranging in its role but it is more convening, making progress on different things.

Q236 **Chair:** Could I pick up Siobhan's question? She identified two issues: the need to pay up front for childcare and the level of the cap, which has not been updated for a long time. You mentioned a court case. Does that case bear on one or both of those two issues?

**Dr Thérèse Coffey:** The payment being a reimbursement rather than that. That was voted through and, as I say, we won in the Court of the Appeal.

Q237 **Chair:** There is not any legal action around the cap issue?

**Dr Thérèse Coffey:** I am not aware.

Q238 **Chair:** Is that something you are looking at: the level of the cap?

**Dr Thérèse Coffey:** Not right now, no.

Q239 **Siobhan Baillie:** Just on the relationships brief, which I know I have raised with you before, one of the many sad impacts of lockdown is on families, family breakdown, family parental conflict due to pressures in the home, parents having to do home schooling for the first time and we know that there is an outpouring of seeking support now. Your Department, rather fantastically, has the Reducing Parental Conflict programme, which has been a success in my view. I should declare an interest. I used to work for a charity that was involved in the local family offer and still is involved in the Reducing Parental Conflict programme.

The Spending Review said you were going to continue your investment but did not put any numbers and figures to the said investment. What funding have you committed to the programme?

**Dr Thérèse Coffey:** Peter, can you remember that? I know we received what we bid for, but I think it was probably similar levels of funding. If I am wrong on that I will let you know but I think it is consistent.

**Peter Schofield:** Yes, we will need to write with the precise number.

**Dr Thérèse Coffey:** We will write if it is wrong but I think it is a consistent level of funding.

Q240 **Siobhan Baillie:** It would be helpful because I think what we know from the local authorities involved in the local family offer, were very supportive as far as I understand and your Department will know that. We know that the pandemic sent a lot of things online so we need a bit of a boost for the programme. Knowing about what funding is available I think would be very helpful for that.

What is your assessment of the impact the programme has had and are you working—I think you are, Secretary of State, from discussion I have had with others—with the Department for Education and MoJ on family hubs? The evidence that you have pulled together with your Reducing



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Parental Conflict programme, is that going to be embedded in family hubs and are you able to feed into that work?

**Dr Thérèse Coffey:** The Department is involved in the family group; I cannot remember what formal status that has. The Secretary of State for Education is leading that work. I know it has been considered about whether that should be integrated into the future family hubs but I don't think any definitive decision has been made.

I want to assure you that the programme is continuing but I don't know if the next steps have been finalised. In the meanwhile, we will carry on the good work that is happening. Mr McCabe will be pleased to know I believe a report will be published soon on the effectiveness of RPC.

Q241 **Siobhan Baillie:** I also know from Patrick Myers that the programme is being extended away from just workless households to other families, so it is a good thing. Given what you know about it and how it is being received, if you had to make a decision today would you encourage DfE to include this work to be embedded into family hubs?

**Dr Thérèse Coffey:** I think it is part of the—I am trying to think of the best word. "Package" is not normally the right word; "offer" might be, but I do not want to get too specific. I think it is best to understand: how has it worked well and is that still the right place? I can understand why people would immediately assume: put it all into the family hubs, but I want it to be driven by outcomes rather than another service that ends up in a building somewhere. I am a great believer in trusting and empower to deliver but it has to be delivered rather than locking infrastructure into place, having a one-size-fits-all approach.

Baroness Stedman-Scott leads for me on aspects of that work. It is probably enhanced by the fact that she is also now a Minister in GA. She is Minister for Women. There is an element there where I think she will have added emphasis in that regard. Even if you asked me to, I could not even write to you because that is still in formation.

Q242 **Chair:** A few final points from me. Earlier, you made the point that we are shortly going to be voting on benefit uprating.

**Dr Thérèse Coffey:** We do every year. We do it all the time.

Q243 **Chair:** Yes, indeed we do but usually we would have done it by now. Do you know when—

**Dr Thérèse Coffey:** No, we normally do it in January or February every year.

Q244 **Chair:** You would expect it to be January or February, would you?

**Dr Thérèse Coffey:** Yes. It is the uprating order, isn't it?

Q245 **Chair:** Indeed. A couple of questions about the pension correction exercise for the Permanent Secretary. Sir Steve Webb has written to you to urge you to include some groups of the divorced people in the exercise



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to correct the underpayments of a state pension. Are you planning to do that?

**Dr Thérèse Coffey:** I do not know the answer to that off the top of my head. I am not aware about any letter.

**Peter Schofield:** Sorry, Chair, I missed the question.

**Dr Thérèse Coffey:** Steve Webb has written to you apparently, Peter. I am not sure why he has written to you, but asking if we are going to include certain people in the exercise.

**Peter Schofield:** He wrote to me on Monday.

Q246 **Chair:** The reason Sir Steve Webb wrote to the Permanent Secretary was that at the Public Accounts Committee, when we discussed this issue, you made the point that you were going to check with Steve Webb about gaps he had identified in the scans the Department was doing.

**Dr Thérèse Coffey:** Sir Steve Webb was Minister for Pensions for five years when we did a big reform and never identified this problem at the time. Is that the same Steve Webb? I am glad he has lots of advice after leaving the office.

Q247 **Chair:** Indeed, but he is very active in retirement in identifying the problem.

**Dr Thérèse Coffey:** He had five years. Five years! I am delighted that he has found out all these problems now. There we go.

Q248 **Chair:** He has certainly been very diligent in doing so. He has written suggesting that you include some groups of divorced people in the exercise. Are you planning to do so?

**Peter Schofield:** He wrote to me on Monday and I think my office has got back to him saying we will reply when we can. The point he makes in his letter, he refers back to the NAO report that we discussed at the PAC back at the end of October. When we looked at the divorced people back in 2020, we could not see a pattern so we focused our LEAP exercise on the categories that you are aware of.

I think in his letter, which he shared with the Committee, he has identified a handful of cases that in his view may suggest a pattern. I need to look into what he is saying, understand that and respond.

Q249 **Chair:** At the Public Accounts Committee you did say you would check with him about the gaps that he had identified. Have there been discussions between the Department and him since then?

**Peter Schofield:** The first example of this that he has raised with us was in this letter that he wrote on Monday.

Q250 **Chair:** The Department did not approach him after the PAC to say, "Where do you think the gaps are?"



**Dr Thérèse Coffey:** Frankly, Ministers need to engage on advice given to us like that. Steve Webb can write in any time he likes and I am sure he will be treated with appropriate respect.

Q251 **Chair:** The Permanent Secretary did give an undertaking to talk to him. I wanted to check what had happened since that undertaking was given.

**Dr Thérèse Coffey:** I am sure Sir Steve will get a response to his letter.

Q252 **Chair:** I am pleased to hear that he will. The National Audit Office report did say the Department did not find any significant evidence that it had failed to properly process cases where a pensioner had notified it of their divorce.

Steve has certainly identified some quite troubling cases, including one of a divorced woman who was told several times—most recently this year—by the Department that her pension had been paid correctly but when he himself raised that case with the Department, the Department accepted she had been underpaid for six years and was entitled to £16,000 in back payments. That was a very recent error that the Department had made about this.

**Peter Schofield:** I am glad to say we put the error right. The point I made at the PAC, Chair, is not that we should not be putting errors right. This is a very big system, official error is 0.3% but 0.3% on a very large number of cases over—what we were discussing at the Public Accounts Committee, some of these errors go back to 1985. It leads to a large number of people.

The key point is where we have identified a pattern that justifies a full administrative exercise, then that is what we have gone ahead and done and that is what we are doing on the category BL, category B and category D pensions.

As you say, the NAO report reflected our view when we looked at divorce cases back in 2020 that we could not see a pattern. Sir Steve Webb has written to me with a number of cases—I think it is a handful of cases—where we have, in business as usual, not as an administrative exercise, identified an error. Someone has come forward and said, “We think we have been underpaid”.

I am sorry that has happened in those situations but we put that right, and the question Sir Steve is raising in his letter is: are those handful of cases telling us there is a much larger number out there or is it just a handful cases that we will address in the normal way? If people write in or get in touch with us and say, “We think you have made a mistake” we will look at those cases.

As the NAO report says, the vast majority of people who get in touch with us as what we call a presenting case to say, “We think you have it wrong” turns out we have it right. The key thing when we develop an administrative exercise, like the one we are doing on the three categories



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I have described, that is a huge commitment of resource and we need to make sure that when we are committing resource to that—that is resource that we have to take something else in order to do that.

Q253 **Chair:** I completely take that point. This all started with a handful of cases a year or so ago—whatever it was—and it is now accepted that the Department will have to pay over £1 billion in under payments. Surely it is in everybody's interest—

**Dr Thérèse Coffey:** It was a particular problem, wasn't it, in 2005 and 2007? I appreciate, Chair, that you were in the Department at the time but these things happen and we are fixing it.

Q254 **Chair:** It is in everybody's interests that the exercise should be done properly and if there are some gaps—and there is a suggestion here that there is a gap—then that is properly explored. I am looking for reassurance that it will be.

**Peter Schofield:** I will reply to Sir Steve Webb when I have looked at these cases and understood whether there is something here that needs to be looked into.

Q255 **Chair:** A final point, Secretary of State. The removal of the £20 a week uplift in Universal Credit means that, as you know, the headline rate of Universal Credit is the lowest headline rate of benefit in real terms for over a 30-year period in which the economy has grown by over 50% in real terms.

As a percentage of average earnings, the headline rate of benefit is the lowest at least since the Second World War, and some people would say well before that as well. What is the policy reason for setting the benefit rate at such a historically low level at the present?

**Dr Thérèse Coffey:** Benefits have their uprating order done every year. We focus in different ways on aspects of how we make those changes and, by and large, some are set by statute, some are set by discretion and we have taken a consistent approach in how we have applied that, apart from when the legislated in 2015 to freeze benefits for several years.

We will continue to make the assessments and then Parliament will vote on them.

Q256 **Chair:** It sounds like you are describing an historical accident that has left us in a position where the headline rate of benefit is the lowest for a long, long time. Is there not a policy consideration about whether the level of benefit is set at the right rate? If there is, what is the reason for it?

**Dr Thérèse Coffey:** Our view is that we want to try to get people into work. That is our primary purpose, while I am conscious of the significant amount that is available to people in that longer term who cannot work



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as well. I think we have a balanced approach in our approach on the rate setting.

Q257 **Chair:** The Committee has heard evidence from parents telling us that once the £20 a week has gone they would have to skip meals in order to make sure that their children can have each meal. If that is happening on a significant scale, is that of concern to the Department?

**Dr Thérèse Coffey:** I am conscious that we want to try to address and improve the lived experiences people have. The biggest intervention we have made is to put our focus on helping people to get into work and on in work. That is our primary element of changes but we will continue to support people who cannot work as well.

**Chair:** If there is evidence—

**Dr Thérèse Coffey:** I do not know the individual circumstances of the people who came and gave evidence. I think that was a few months ago. I am sure that they will benefit from the change, the increase in the work allowance and the reduction in the taper rate will be probably significant for them.

Q258 **Chair:** Not if they are not working, it won't. It will not have any effect on them.

**Dr Thérèse Coffey:** If they are not working, the question is: why is it they cannot work or why are they not working? I do not know the individual circumstances of the people who came to give evidence.

Q259 **Chair:** You would accept there are quite a lot of people who cannot work because of disability or for a variety of reasons?

**Dr Thérèse Coffey:** That is right. Some of the improvements that I think have been made in things like PIP are open to people regardless of their capital savings and so on. I believe that we are investing something close to £60 billion for financial support for people with disabilities and we will continue to make progress in that regard.

Q260 **Chair:** Does the Department make any assessment of the adequacy of benefit levels?

**Dr Thérèse Coffey:** My recollection is that we have taken this approach of where we see annual uprating and make appropriate judgments at the time.

**Chair:** That concludes our questions to you. Thank you very much for giving us a couple of hours this morning and for covering all the ground that you have.