



Work and Pensions Committee

Oral evidence: Employment support for disabled people:

Access to Work, HC 481

Wednesday 29 October 2014

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Written evidence from witnesses:

- [Department for Work and Pensions](#)

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Members present: Dame Anne Begg (Chair), Debbie Abrahams, Graham Evans, Glenda Jackson, Kwasi Kwarteng, Paul Maynard, Nigel Mills, Anne Marie Morris, Teresa Pearce, Mr Michael Thornton

Questions 253 - 322

Witnesses: **Mark Harper MP**, Minister for Disabled People, and **Colin Stewart**, Work Services Director, Jobcentre Plus North West England, Department for Work and Pensions, gave evidence.

Q253 Chair: Can I welcome you, Minister, to our last oral evidence session as part of our inquiry into Access to Work? I have some apologies. A couple of members are missing. The Committee stage of the Affordable Homes Bill is sitting at the same time as this. As I am sure you will appreciate, this is of great interest to many people on the Committee; it is what we call the bedroom tax but what you call the spare room subsidy. They send their apologies that unfortunately they cannot be in two places at once. You are here. That is what is important. Would you like to introduce yourself and your colleague for the record?

Mr Harper: Thank you very much, Chair. I did bump into Ms Gilmore as she was leaving, so she gave me her apologies in person, but thank you. Mark Harper, Minister of State for Disabled People, and Colin Stewart. Colin, I will let you introduce yourself.

Colin Stewart: Colin Stewart, Work Services Director, Jobcentre Plus North West England.

Q254 Chair: You are very welcome this morning. We have had an exchange of letters about the internal review that your Department is undertaking with regards to Access to Work. Can I quickly ask if you intend to publish the findings of that internal review?

Mr Harper: Yes. I put a little note at the bottom of my correspondence to say that I was happy to set out my thinking. All I was trying to communicate with my letter was that there may be some changes that we want to make to the scheme of an improving nature. I am very keen to make them as soon as I can. The only reason why I did not want to commit myself to not making any changes at all until we had considered the Committee's report is that, if I look at the timing, you said in your correspondence that the Committee publishes its report just before Christmas. We then take some time to think about it, work up some policy proposals, and get appropriate agreement within Government.

Frankly, my concern was that we will not make any improvements to the system before the election. Without taking voters for granted—and even if voters are generous, the Prime Minister for granted—if you then have a new Minister in the Department, a whole year passes with no improvements to the scheme. If there are things we can do to deliver better customer service or make changes that are helpful, I did not want to lock off the possibility of doing those before the election. However, my officials and I have looked carefully at the evidence you have collected. We will take your report very seriously, as I always do with Select Committee reports. I do not think we are going to do anything that goes off on a slightly bizarre tangent.

Q255 Chair: You will not be publishing your internal review for a public audience. That is just for the Department's own purposes.

Mr Harper: Yes. Having considered the evidence and feedback I have had—and also, frankly, having been shadow Minister for three years five years ago, I do have some thoughts about Access to Work anyway—I did not want to close off the fact that we could make some policy changes that would improve the scheme this side of the election rather than afterwards. I wanted to leave that open; that is all. That was the point of my correspondence with you.

Q256 Chair: Obviously as a Select Committee we cannot publish our findings until we have discussed what they are, but one of the cardinal rules of Select Committees is that we follow the evidence. If your officials have been following the evidence, they will have been seeing exactly what we are seeing. We are definitely keen to be part of that process to make sure that any changes are well informed, but we do understand that there are pressures of time. All we can say is that we will deliberate in due course, but we will be following the evidence that we have received.

Mr Harper: The reason for flagging it up ahead of my appearance today was that, although I recognise that as a Committee you have to deliberate and agree a report, if as a result of the evidence you have heard through the questioning this morning I pick up a clear sense from members that there are certain things that we need to focus on as a priority, that is helpful for me as I think through any policy changes to make. I wanted to give members the chance to think about that ahead of today's appearance.

Chair: And if you do not answer our questions, we will be writing to you anyway to make sure that we get some clarification. Okay, thanks for that. We have got some questions on the Sayce Review from Glenda Jackson.

Q257 Glenda Jackson: Minister, the Government accepted the Sayce Review's recommendations, one of which was to double the number of people helped by Access to Work. The caseload has increased in the last two years, from 30,780 in 2011-12 to 35,450 in 2013-14. However, these increases follow two years in which the numbers fell, and the 2013-14 total is below the peak of 37,280 reached in 2009-10. Is it your intention to double the number of people helped by Access to Work and, if so, from which baseline does this apply and when do you expect this to be achieved?

Mr Harper: Let me try to give a full answer to that. There are a couple of things to consider. First of all, we do want to increase the number of people helped. You have very fairly recognised that since the Sayce Review we have increased spending by £15 million a year, and we have increased the number of people who are helped.

There are a couple of challenges around helping more people. First, we need to make sure that we have an organisation that we can scale up. We will talk a little bit more about the changes that we have made there. We now have an organisation that is better able to scale up if more people used it. With the older model, if you had suddenly doubled the number of people, the organisation would have fallen over and would not have been able to cope. Secondly, we need to look at the spending and the number of people we are helping with that spending.

So, there are two challenges. They have come up through the evidence. The first one is the balance between the size of individual awards and the number of people you are helping. A significant amount of money on the scheme helps a relatively small number of people who need significant help. I am not making any issue around that; it is just a fact. Quite a lot of people receive relatively small awards, but obviously that covers a larger number of people. If we are going to increase the number of people we help, we need to think about how we get that balance and how we put in place some proper cost control.

Secondly, in the next Comprehensive Spending Review period we need to make that case to the Treasury and secure more money. On the face of it, if you double the number of people you are helping, you need another hundred-and-something million pounds of spending, which is not easy to secure in the current financial environment. However, it is absolutely our ambition to increase the number of people and increase the spend on the scheme.

Q258 Glenda Jackson: With respect, you are presumably talking about a budget that is finite—

Mr Harper: It is finite, yes.

Glenda Jackson: —even before the changes you have touched on are going to be brought into place. Do you know how it is going to be divvied up? Forgive me, but you have spoken about having to increase the support network or the actual organisation to be able to deal with this hopeful increase where Access to Work is available to double the number of people. But it has all got to come out of the one pot. So, which is the biggest pot: the new organisation or getting more people into Access to Work?

Mr Harper: Well, the administration costs for the scheme are relatively low. The bulk of the money is spent on awards. That is £108 million in the 2013-14 year. If you want to double the number of people, you have to find more money. I do not need to tell you that departmental budgets are under pressure. We have to find that money; either we have to secure more money from the Treasury, or we have to find it out of some other programme. We need to make sure we have a good programme with good controls in place. We have already said that in this financial year we are looking to spend around the same amount of money, but for the next Spending Review period we will have to make some decisions about how much money we can allocate to Access to Work.

Q259 Glenda Jackson: In her review, Liz Sayce envisaged that extra resources for Access to Work would come from the re-organisation of Remploy. We understand that following the closure or sale of Remploy factories, the Government subsidy has reduced by around £80 million. Is that £80 million going to be transferred to the annual Access to Work budget and, if it is, when might this happen?

Mr Harper: My predecessor but two or three, Maria Miller, made it clear in her Written Statement that some of the savings from the changes to disability employment services—including Remploy—would be recycled. They have been, which is where we found the extra £15 million for Access to Work. We have protected money going into Work Choice, the Work Programme, and the other disability and employment programmes. However, it is also the case that, with an overall Government deficit of over £100 billion, the Department for Work and Pensions—as with most other Departments—has had to live within a very tight financial settlement. There was not a spare £80 million lying around that could all have gone into Access to Work.

Q260 Glenda Jackson: So, you are saying that even though the Government has accepted the recommendation that Access to Work should be doubled, there is no prioritisation for Access to Work out of the £80 million that came out of the changes with regards to Remploy.

Mr Harper: We spent an extra £15 million on Access to Work. Maria did not say that all the money would go into Access to Work. She said it would go into a range of disability programmes. We have protected the funding on disability programmes like Work Choice, the Work Programme and Access to Work in an environment where we have had to make some very difficult financial decisions across the entire Department.

Q261 Glenda Jackson: Is there a timeframe within which you hope to have doubled the number of people on Access to Work?

Mr Harper: I do not have one at this point. It will be something we will have to argue for through the next Spending Review period. The Spending Review settlement we get is a matter for the Chancellor.

Q262 Glenda Jackson: So, you have to wait for that before you can start the re-organisation process that you have already touched upon. You are going to need more people.

Mr Harper: We have put some processes in place. Without anticipating the Committee, I know we will touch on this, because it has come up in the evidence. I will say a little about it and then Colin can elaborate on it. We have a better structure now, but in terms of the spending on the programme, there are clearly some very significant public spending implications that we need to work through.

Q263 Glenda Jackson: Forgive me, but my question clearly was not precise enough. What I am actually asking is this: given the budgetary constraints—which at the moment do not seem to be meshing with the Government’s commitment to accept the recommendations of the Sayce Review as to doubling the number of people on Access to Work—what is the timescale for being able to achieve that?

Mr Harper: As I said, that would anticipate the next Comprehensive Spending Review. Other things being equal, if you are going to double the numbers on the scheme with exactly the same mix of caseload, it means finding another £100 million—which is not a trivial sum of public finance.

Q264 Glenda Jackson: But you have also said that it requires finding additional staff to be able to process those applications.

Mr Harper: Yes. You would have to scale up the resources, but from the financial point of view that is not as significant a challenge. If you look at the scheme, we spend £7 million on running the scheme—an amount that has come down. We spend £108 million on the awards. In terms of finances, the key challenge is the funding for the scheme. If you look at the size of the Department, there is a relatively small number of staff on the scheme. That is not the challenge. The challenge is the money that you would need to pay for the awards. That is something that we will have to negotiate through the next Spending Review process.

Q265 Chair: Can I just clarify exactly what is happening to the Remploy money? Liz Sayce said in her report that she wanted the vast majority to go to Access to Work. I think that her understanding and the thrust of her report was that the Remploy money that was being spent in keeping disabled people in work was not achieving the best value for money, and should therefore be spent somewhere else—with Access to Work being one of the main recipients. However, from what you are saying this morning, Minister, it sounds as if only quite a small proportion has gone into Access to Work—and that quite a small proportion has gone into other things such as Work Choice.

Is there a breakdown—either one that has been published, or one that you have and can let us have—of where the savings from Remploy have gone? Quite a number of people were not particularly happy about the closure of the Remploy factories but at the same time accepted it, knowing that that budget was still going to be spent on getting disabled people into work and keeping disabled people in work. We would be very disappointed if that has not been the case.

Mr Harper: Let me go away and see what I can get you. To be very clear, I have got a copy of the Written Statement that Maria Miller published when she was the Minister for

Disabled People. This was published on 7 March 2012 along with the Command Paper, *Disability Employment Support: Fulfilling Potential*, which set out the strategy for all the specialist employment programmes and a summary of the responses to the consultation on the Sayce Review. She made it clear that the savings from the policy changes she announced would “be used for more effective and proven employment programmes such as Access to Work”, but obviously Access to Work was not the only one.

She announced the extra £15 million for Access to Work in that Written Statement but, as I said, we have also increased the funding for Work Choice and protected the funding for other programmes, at a time when the Department has had to make some very significant financial savings. We have not made any cuts in this area at all; we have actually increased the funding by recycling those savings.

Q266 Chair: So, when you are saying, “protected the funding”, that means that you do not have cuts: you have back-filled what might have been cut from the budget with the money that has been released.

Mr Harper: The most sensible thing is for me to go back to the details in this statement from the 2011-12 period and look at what we were spending on the various programmes, and the information that was set out, and try to break that down for the Committee. I cannot really do it in my head. Let me take clear action to write to the Committee and furnish you with as much information as I am able.

Q267 Nigel Mills: On the question of the budget, Minister, what is a little unclear in my mind is exactly what the budget is, and what happens if you get to February and you have spent your £108 million. Do you start turning down awards for the last six weeks of the scheme, or is there some kind of flexibility to move some more money in if it is needed?

Mr Harper: This is one of the things that we probably do need to look at in the next Spending Review period. Liz Sayce touched on this in her report. At the moment, the funding for Access to Work, as with the other disability employment programmes, comes from—and I will try not to be acronym-laden here—departmental expenditure. It is a finite amount of money. We get a cash limit from the Treasury. It is not Annually Managed Expenditure in the same way that benefit expenditure is, although that is of course now within the welfare cap. So, there is a finite amount of money.

The way we have to manage it at the moment—because obviously we try to meet all the demands—is to look at how the scheme is progressing through the year. There is some amount of flexibility in the sense that we can look elsewhere in the Department’s budget, but there is not an infinite amount of flexibility. At the moment, if you suddenly have twice as many people applying for Access to Work, there is not a magic £100 million on the table to pay for it. This is why I gave the cautious answers that I did to Ms Jackson.

Q268 Nigel Mills: But if we hit the 37,280 people that were claiming five years ago, do you hope or expect that that could be afforded, even if you cannot promise it?

Mr Harper: In the current financial year, we are anticipating spending a similar amount of money to that which we spent in the 2013-14 year—so, in the £108 million space, as it were. We have to manage that carefully through the year and look at the out-turn. But, as

I said, we need to make sure that, as we scale up the demand coming into the system, we have got the resources to pay for it. The last thing I want to do is get to the point where you have to close the door. I do not think that would be very helpful. That is why we want to make sure we have got a scheme that is well managed, well organised and with a budget that we can scale. As I said, that is why I was relatively cautious in my answers to Ms Jackson; I do not want to set expectations that we then cannot meet.

Chair: Paul is going to pursue this in a bit more depth.

Q269 Paul Maynard: Nigel has asked my questions, so I will not repeat them precisely. To stick on the budget, we want to test some of the evidence we had last time. We had someone from the Business Disability Forum claiming anecdotally that she had been told by DWP officials that the internal budget had “never been fully utilised”. Clearly you do not publish an indicative budget. You do publish how much is spent at the end of each year. Why do you think it would be inappropriate to publish an indicative budget, and do you accept the Business Disability Forum’s evidence?

Mr Harper: Looking at the evidence, I know that you and other members pressed her on what the evidence was for that assertion. There is not unused money lying around. As I said, my expectation for this financial year is for us to broadly spend what we spent in the 2013-14 financial year, which was in the order of £108 million. We will again be spending £15 million more than we were spending in the 2011-12 year. It will be in that order of magnitude.

Q270 Paul Maynard: There is always a danger of looking at Access to Work in isolation—which is perhaps a problem with this inquiry, which looks at Access to Work in isolation. How do you see it fitting into the wider disability employment spending that the Government engages in? If you were to spend more on Access to Work, would you be taking money from other disability employment funding streams like Work Choice or whatever? Or is it a more dynamic financial relationship, where more spending on Access to Work might release funding in other areas, or indeed vice versa?

Mr Harper: Mr Maynard, you have put your finger on it. I would see this happening a little more widely as well. This is one of the things we need to look at, and one of the things I am thinking about. We need to look not just at our departmental spending—like Access to Work and some of those other employment programmes—but also at the amount of money the Department currently spends through Annually Managed Expenditure on those people who are currently not working but perhaps could work with the proper support.

One of the things that the Department needs to look at and have a conversation with the Treasury about in the next Spending Review is the need to look at both departmental spending and Annually Managed Expenditure. You may make decisions to put more resources into Access to Work and other disability employment programmes in order to enable people who are able to work to get into work, which may result in savings on Annually Managed Expenditure. That may be a sensible thing to do.

At the moment we are not able to make those trade-offs because the Access to Work budget is departmental spending with a fixed cash limit. Currently, if we were very successful at getting people off benefits and moving them into work, and needed Access to Work to do that, there is not a very good mechanism for switching money between the two. That was something that Liz Sayce talked about in her review. She advocated being able to do that. So, you are absolutely right. One of the things I am thinking about is how we look at the employment support we deliver in the round—not just the departmental spending that you talked about but also the benefit expenditure as well—to see if we can deliver better outcomes for people.

Q271 Paul Maynard: Liz Sayce was quite clear in her ambition of doubling the number of people who will benefit from Access to Work. Any target of helping a number of people is always a numbers game that carries a risk of moral hazard. How do you think you can help more people without ending up focusing on those who are nearest work and therefore the cheapest to help? The average Access to Work bursary is £3,000. There will be many more people who are very far from work and have very complex needs, who will need far more than £3,000. Is there not a danger that focusing just on the numbers of people that we are helping will penalise those furthest from work? Have you thought about how you might square that particular circle?

Mr Harper: That is a very good point. I mentioned cost control, but I am very clear that we need to do that in a way that still enables people to be in work and recognises the fact that there are people with higher support needs. We need to look at how we do that in a sensible way. I know, both from my own direct experience of conversations with people and from the evidence the Committee has had—for example, from deaf users of the scheme who have had concerns about awards for BSL interpreters—that our previous method of trying to control cost, which was around hiring people directly or having some limits on the amount of hours, has not been very successful.

You have to have a cost control mechanism, but there are ways we could do that in a smarter way. For example, one of the things I have already discussed with Action on Hearing Loss is the option of working with them and other disability organisations and users to look at smarter ways of delivering the use of technology. We would also look at cost control that fits with modern workplaces and enables people to perform and do their work in a flexible way—and engages employers properly as well in terms of how they run their businesses. There is some more imaginative work that we can do in that area.

But you are right; I do not want it to turn into a thing where we just focus on the number of people and ignore those that need the higher-cost awards. You could do it very simply; if I look at where the spend goes, there are a relatively small number of awards that are for very large amounts of money. If all you did was switch that money to lower-cost awards you could help a lot more people, but I recognise that there are people that need those higher awards, and there are some competing priorities. I do not want to move the scheme wholly in the direction of numbers of people, because you are right: that would miss those people who need more support to move into the workplace. It is a balance.

Q272 Debbie Abrahams: You have made some interesting remarks regarding the next CSR and rationalising the different schemes that are available to help disabled people back into work. I am wondering, four and a half years into Government and six months before the next general election, why this is a sudden revelation now. Does it not show, again four and a half years into this Government, the lack of priority given to disabled people?

Mr Harper: No, I do not think it does. We have made a considerable amount of progress. You cannot solve all of the problems overnight. We helped 116,000 more disabled people into work last year. As I said, we have put £15 million more per year into Access to Work post the Sayce Review, helping 35,000 people versus 30,000 people in that year.

We have made progress. I am ambitious to go further. That is the right thing to do. I want to look at how we are delivering that support to disabled people, so that we can get more disabled people—including those that need more assistance—into work. I am very ambitious about that progress. We can do more, but I do not think that wanting to do more and being ambitious should obscure the fact that we have got a good record and have done a lot already. I do not accept your premise.

Debbie Abrahams: Actions speak louder than words, Minister.

Q273 Glenda Jackson: On the issue Mr Maynard raised of a moral hazard, I am not talking about the numbers of people or the issue of helping those furthest from the workplace, but the benefits of enabling disabled people to work surely vastly exceed the costs of assisting them in that way—if you think of the benefits for someone who is severely disabled, simply on the level of being able to communicate with people in a workplace environment, and setting aside the fact that the people who do go into work are paying tax. As far as the nation is concerned, it is surely a priority that we assist, as far as is humanly possible, to enable people with disabilities back into the workforce, because as a country the benefits vastly outweigh the costs.

Mr Harper: I absolutely agree with you. But I think Mr Maynard's point is right, because then there will be people who need a relatively small amount of help to get into the workplace and there will be people who need a large amount of help to get into the workplace. Mr Maynard put his finger on the priorities there. Do you want a system that recognises that you do also want to get people into the workplace who have got significant support needs? The answer to that is yes. But there is a balance there because if it is about numbers and I wanted to help the largest number of people, you would push all the resources towards those people who could be moved into the workplace more easily. However, that would neglect those that have higher support needs. There is therefore a balance.

Q274 Glenda Jackson: I appreciate that. The point I am trying to make—and clearly failing—is that even with those furthest away from getting into workplace, for the country as a whole there are benefits, which may be extremely difficult to analyse on a cost-benefit analysis with a bottom line. That should surely be the priority, however, and would meet the Government's commitment to doubling the number of people on Access to Work.

Mr Harper: You are right; it is important, but we also do not have infinite resources. Wherever you draw the line, you are going to have to make some choices about numbers

of people and the amount we spend on them. I think Mr Maynard's point was that it is a complex exercise. Because one of the other things that Access to Work does, for example with some of the assessment work it does and with the advice it provides, is it helps employers work through what a reasonable adjustment is and the sorts of things they need to put in place that they would be expected to fund themselves.

For example, for smaller employers who may never have employed a disabled person before, one of the things that Access to Work sometimes does is to provide advice. It works out the reasonable adjustments that the employer should be funding and the appropriate support above that level that Access to Work should be funding. That is quite a helpful process. There is an employer contribution into this pot as well. If you have all of those sources of funding, then you maximise the number of disabled people that you help into work and, equally importantly, sustain in work for a significant period. But if you have a limited amount of money—and whatever size it is, it is going to be finite—then there are going to be these difficult judgments to make. I want a system that makes those judgments in the most sensible way possible.

Q275 Chair: Do you accept the figure in Liz Sayce's report that, for every £1 spent on Access to Work, the return to the Exchequer was £1.48 in terms of income tax and saved benefits? Does the Department accept that figure and, if not, what is your figure?

Mr Harper: I recognise the figure in the sense that I have looked at Liz's report and the figures in it. I do not know where it is from. It is apparently from an RNIB analysis of DWP and HMRC data, but I have still not been able to establish the workings for that figure.

Q276 Chair: Is there nothing that you could take to the Treasury to say, "Look, if you will only give us more money, we will get you even more money"?

Mr Harper: It is not the Government's figure. If I may say so, if I look at the Access to Work scheme and the data that we provided the Committee with, I do not actually think there is going to be a number.

I will briefly set out why. It comes back to the point Ms Jackson and Mr Maynard made about the spread of awards. If we are thinking about why Liz came up with a number, it was to advocate spending more money. Clearly, if you want to look at it in purely cash terms—and you can look wider than that; Ms Jackson highlighted that there are non-cash benefits for getting people back into work—it does make a difference whether you are spending the money on smaller awards helping lots of people get back into work or whether you are spending the money on a smaller number of large awards to get a smaller number of people back into work.

It seems to me self-evident that that is going to have a different type of return, depending on how you have spent the money. I do not think that there is going to be a single number that is going to give you insight into how you should grow the spending. I have asked officials to do some more analytical work. As you would expect, with my accountancy background I do like my numbers, and I do like to make decisions based on evidence and facts. Certainly, if we are going to have a discussion with Treasury colleagues about

funding, we want some good evidence. But I have not seen the analysis of how the £1.48 figure was arrived at. I do not know whether the Committee has, but I certainly have not. It is not the Government's number.

Chair: We will move on to questions on administration then, from Anne Marie.

Q277 Anne Marie Morris: It has always been clear there is a difference between this particular scheme and the other schemes for those with disabilities, in that one is very much a benefit and the other one is seen as something that is to meet a particular need. Conceptually, it is very different. The comments and the evidence we have received show—whether it is a perception or a reality—that there is a sense that when individuals are assessed for this particular award it is treated very much like a benefit. So, there is a very clear set of criteria. The assessment is made clinically against those criteria. There is little appetite for risk. In a sense, this is what you would expect if you were looking at a benefit.

However, when you are looking at Access to Work, there is a sense that you would expect something a little more proactive, subjective, and focussed on need. You would expect a willingness to accept a little more risk, if you like. Do you accept that evidence? Perhaps you could also comment on how you see benefits as against this particular award, and how you believe that they either are or should be treated differently.

Mr Harper: You are right: the scheme needs to be flexible. One of the interesting things about it is that it is a discretionary scheme; it does not have statutory rules around it in the way that the benefits system does. One of the things we could do much better is to be more transparent. For example, the guidance is not secret—and it is important to note that it is guidance, not the law; it is guidance for those that make decisions on the awards. If people ask for it, we give it to them. It is not very user friendly and it is not published on GOV.UK. So, it is being re-looked at, and I want some user-friendly, readable guidance published in due course on GOV.UK so everybody can see it. Apart from anything else, that would make it more accessible to those people that need technological solutions to be able to access it, because it is not very accessible at the moment. It would be helpful because then people would see the sort of guidance that our decision-makers were using.

It is guidance; they do have quite a lot of discretion. There is a challenge there though, because we want some level of consistency. If two different people working for different employers in different parts of the country have got broadly similar needs, you want to make sure they get similar outcomes. But equally, you want enough flexibility so that people can look at someone's actual circumstances and take those into account. So, there is a challenge there. I want to say something about the operational changes that we have made, and then—if it is alright, Chair—I will ask Colin, since he manages the teams, to set out a little bit about how the decision-makers go about making decisions.

One of the things I should be frank about—and I know that this has come up in your evidence, and has been raised by me—is that in terms of transforming the way the system worked, as I alluded in my answer to Ms Jackson, we have moved from 78 locations with a separate Access to Work telephone system to three locations and using the main DWP call centre. That is a better system because it is scalable, and because we now answer phone calls on time. Previously, 60% of calls were not answered on time. It is fair to say, though, that the process of moving from one to the other came with expected performance

challenges. Frankly, we were not very transparent about it. We did not tell Parliament terribly effectively and we did not tell our customers very effectively. If we had done so, that process would have gone more smoothly.

Chair: We have questions on the call centre coming up.

Mr Harper: Fine. It was just important to give some context. The good news is that we now have the staff in place and have trained them, and we have the systems in place. Things are settling down, and the performance is now getting back to where it should be. I just thought it was important to set that out for the Committee. Colin, do you want to have a go at answering Ms Morris's question?

Colin Stewart: One of the strong rationales for moving from 72 sites to three was around consistency. Previously, we had a lot of feedback that the service was not consistent. We have moved down to three sites and have built a quality framework, with an expectation and a leaning towards consistent treatment. Within the decision-making process there is always going to be some leeway. Indeed, it is not a one-size-fits-all process but one that offers a bespoke solution. We set up specialist teams to work with the hearing impaired, the visually impaired, and those with fluctuating conditions. We hope that those specialist teams can share knowledge and build on-site expertise, in order to achieve higher-quality outcomes.

Q278 Anne Marie Morris: It is quite difficult to teach discretion, and particularly to use that in a consistent way—so I accept that you have a challenge. Do you have different members of staff who deal with benefits decisions and this particular award?

Mr Harper: Yes. There are teams of people that make these decisions. As Colin says, there are some specialist teams that look at people with particular impairments. I am also looking at whether we should have some specialists that work on the more complex, higher-value awards. What has come through to me is that people have become frustrated that there does not seem to be enough understanding about the way they engage support workers or interpreters. They keep having to repeat themselves, and feel that they are going through the process over and over again. We are looking at that.

You are right; there is a challenge around having consistent outcomes and consistent decision-making, while also giving staff discretion. Those two things pull in different directions. However, I do not want to get to the point where we have a very rigid scheme with no flexibility, where it is about ticking boxes and you either get it or you do not, with no sense of fitting it around the workplace.

The other thing that is different from other schemes is that there is also a conversation with the employer. As I said in my answer to Mr Maynard, part of the challenge when you are employing a disabled person is working out how much of the support is a reasonable adjustment that the employer should rightly fund, and how much is over and above that and should be funded by Access to Work.

You will know from the memo that we sent to the Committee that for some sizes of employers we have cost-share arrangements. One of the ways in which we made the scheme more generous was to increase the nil band. Previously, only micro-businesses

did not have to make any contributions. Now, businesses that employ up to 50 people do not have to make contributions. Above that, we expect the employer to put some money in as well. There is a lot of discretion, but we are trying to have consistently applied discretion so that people know what to expect from the scheme. It is a challenge.

Chair: I think Nigel wants to come in on this particular bit.

Q279 Nigel Mills: It looks like a bit of an informal scheme in a way—or perhaps not even a scheme in some ways. This seems like a strange way of structuring the spending of £115 million of taxpayers' money, as you do not have formal processes, mechanisms, appeals, and the sort of stuff that you would expect to see when you are spending a large amount of money. Do you think there is any merit in trying to formalise the structure of this into a scheme rather than some kind of discretionary, informal grant mechanism?

Mr Harper: To be clear, it is not informal. We do have proper controls. Staff are well trained. There is clear guidance for how they make decisions. We do have reconsideration processes. My sense, from talking to people who use the scheme and employers—and this came through very clearly in Ms Morris's question—is that the flexibility is valued. The ability to look at someone's individual circumstances is actually a valuable part of the scheme, particularly for those people who have higher support needs. It is important to look at their employment circumstances and what their job or their business might require. The danger of a scheme where all the rules were in statute—whether through primary or secondary legislation—is that it becomes very rigid. In terms of helping people stay in work or get back into work, I am not sure that would necessarily be very helpful.

Chair: We will move on to questions on the self-employed and entrepreneurs.

Q280 Anne Marie Morris: Indeed. This is my favourite subject, as you know. My question, Minister, relates to the steps that you and your team are taking to look at the challenge of those who are self-employed and running their own businesses. As I understand it, if you set up your own business and you effectively pay yourself as an employee, then you need to ensure that you receive at least the minimum wage.

I am sure you will be well aware, with your accounting background, that when you run your own business you are often running on a shoe-string. You are struggling to ensure that you can pay your employees, and therefore you are taking very little out of the business. If, as a consequence of that rather rigid interpretation for those who are self-employed or running their own businesses, you are not able to access this particular award, it seems to me that there is a bit of discrimination in the system. I am sure it is unintentional, but there is discrimination in the system for those who want to go down the self-employed route rather than the employed route. Indeed, we had some evidence from an individual who was caught exactly in that trap, as I am sure the Minister is aware.

Mr Harper: Yes. You make a very good point. This is a very good reason for trying to keep some discretion in the system, as it allows people to make judgments. To be clear, at the moment there is not a specific requirement in the guidance that a self-employed person's business is profitable within a specified timescale. That is right, because I know

as well as you do that when someone starts up a business they do not make money straight away. There is sometimes a period of considerable investment in the business before it generates returns.

What we do say is that the business must either have a history of, or a reasonable prospect of, generating income. This is a judgment, because clearly it would not be right if Access to Work was effectively funding a business that was not really a business: one that had no prospect of ever being sustainable. It also would not be reasonable for it to be effectively paying for the basic cost of business, and effectively helping someone to compete. It is supposed to be dealing with the extra cost of somebody's disability, and impact of that. So, there is judgment in this.

You have had specific cases. Do we always get that judgment right? I am sure we do not. This is one of things we are looking at. One of the things we are looking at is whether there are other parts of the system where we have got better ways of looking at this. The danger is that if you try to make it much more rigid, it becomes more difficult to have flexibility. What Access to Work advisers should be doing is looking at the business in the round—its history and its future prospects—and making a judgment. However, there is no hard-and-fast rule. Looking at whether it at least pays someone the minimum wage may be a part of that thought process but we do not have a hard-and-fast rule.

If after a reasonable period the business just is not a sustainable business, at some point someone has to make a judgment about that. In my experience, somebody else will probably make that judgment before the entrepreneur themselves, because people that run businesses tend to be very driven. They do not always accept that their business is not sustainable. Sometimes other people have to make that decision for them. It might be their bank manager; in this case, it might be an Access to Work adviser. These are difficult decisions, but we do not have hard-and-fast rules and I think we are realistic about the fact that, when you are setting up a business, it takes some time before it becomes profitable.

Q281 Anne Marie Morris: To clarify that, Minister, with regard to this minimum wage, are you saying that there is no hard-and-fast rule that says you are not eligible for this award unless you at least take out of the business the minimum wage?

Mr Harper: No. The guidance at the moment is that the business must have a history of, or a reasonable prospect of, generating income. Whether you can at least take the minimum wage out of it is a guide to that, but there is no hard-and-fast rule. Obviously people have to look at a range of evidence. If you have a business that has been running for a number of years and you are not even taking minimum wage out of it, that may well be an indication that it is not really a sustainable business. But it is a judgment call. There is a tension between your point and Mr Mills's point about judgment, discretion and rules. You could have a rule that said that, and then there would be absolutely no discretion at all for advisers. It would just be a "yes" or "no". It is probably better to have the discretion.

Q282 Chair: Can I just clarify something? The problem is not the way that Access to Work interprets their own guidance; it is the fact that Access to Work treats anyone who

pays themselves a salary as being an employee and not self-employed. This is nothing to do with the DWP, but the rules around being an employee are that you have to receive the national minimum wage.

Mr Harper: Not if you are a company director.

Q283 Chair: Yes, but the problem is that Access to Work does not say that the person paying themselves a wage is a company director. That is the problem. They are treating them as being an employee rather than self-employed, or indeed a company director. That is the problem—how Access to Work defines anyone who is taking a salary. They do not define them as self-employed or indeed as a company director; they define them as an employee. As an employee, the BIS rules come in at that stage and dictate that they must be paid the minimum wage. It is one of these quirks that have been frustrating many people.

Mr Harper: Let me take that specific point away and look at it. We are very clear that if someone is self-employed and running a business, it is as I stated. Let me take it away.

Q284 Chair: The problem is that as soon as they are getting a salary, Access to Work automatically say, “You must be an employee; therefore you must get the minimum wage.” As a result, they are then denied Access to Work. There are two different sets of rules coming up against each other.

Mr Harper: Okay, let me take that one away and I will get some advice about it. I will write back to the Committee following my consideration of said advice.

Q285 Anne Marie Morris: Minister, have you or your predecessors ever undertaken some analysis of these small businesses to see how the decision-making process has operated? It is about discretion as you have said, but it seems to me that one then needs to check that that discretion is being used appropriately to determine between businesses that can succeed and those that are going to go to the wall. This will give you an evidence base to verify that what the Department is doing is appropriate and fair.

Mr Harper: You make a very good point. I have probably driven my officials round the bend since I have taken responsibility for this, because I have asked lots of questions about the scheme. One of the challenges is that the IT system that Access to Work uses has not dramatically developed over the last 10 years. Frankly, it does not have the standard of management information that one would like. Some of my questions are a bit of a challenge, because they require lots of manual analysis. I have asked some questions about who the volume employers are that use the scheme.

I am trying to get more data out of the system, and we are looking at improving the IT platform that it operates on. For some of that management information, it is not a situation where you press a button and out pops the data. It is a very good question and I am doing some of that analysis work. In passing, Chair, one of the things I want is for us to be more transparent with regards to producing more data about how the scheme works, quality-assuring it, and then publishing it. We do not publish a great deal at the moment, and I would be very happy to be more transparent. I am looking into doing that, and I hope we can do that in the not too distant future.

But your point is very good. I will take that specific ask away. I suspect the answer will be that we could look at some of that, but it would probably require a lot of manual effort. However, looking at those people who are self-employed and looking to see the kinds of businesses we are talking about might repay that effort. Are we talking about businesses where it is just that person working by themselves? Do they employ people? What is the history? This might be one of the decision-making points: if we look at the history, it might help us make better decisions. So, for businesses that are now successful, if we had a better idea of what they looked like when they first got an award then it might help us make better decisions about self-employed customers when they are at the start of that process.

So, that is a very good question. Let me see what data we can lay our hands on. To set your expectations, it is not very easy to extract great management information from our system.

Q286 Anne Marie Morris: Indeed, Minister, and I am grateful. As a parting, final comment, may I just ask that these particular challenges around the self-employed are part of your internal review, and something that you look at as needing to be fixed quickly rather than a long-term challenge?

Mr Harper: Yes. I am very clear that we need to look at both the employed and the self-employed at the same time. Since coming into the Department, I have already asked questions about how our other processes work for people who are self-employed, for exactly the reason you gave. One of the things that people who are employed do not always understand is the nature of starting a business, and the fact that you do not make any money out of it for at least a period, and sometimes for a very long time. There is a different mentality about people who are prepared to start a business and work for themselves. That is not always well understood, I dare say, by civil servants who have not done that before. I have asked some of those questions, but you have given me a very good prompt to do it again.

Q287 Glenda Jackson: Yes, I want to remain on the self-employed issue, Minister. We have had recent reports that the unemployment figures have gone down and the self-employed figures have skyrocketed. I am concerned to hear you saying that when someone wishes to be self-employed with Access to Work the stumbling block is the validation of that potential business. There is no such validation required for someone who is on Jobseeker's Allowance and then decides to be self-employed; Jobcentre Plus does not act as a business consultant who says, "Yes, that is a very good idea—do become self-employed." I am wondering why there is a double standard.

If it is okay to say, "I am going to become self-employed," if you are not disabled, why is it not acceptable for someone with disabilities to say, "I am going to be self-employed"? This has got nothing to do with money; it has got absolutely everything to do with accepting an individual's belief in what they can create for themselves.

Mr Harper: If they do not require taxpayer support, there is no bar to somebody going and creating a business. If someone is on Jobseeker's Allowance and wants to come off Jobseeker's Allowance and create a business, that is absolutely fine. This is about

someone saying, “I need some support from the taxpayer to do so,” and you have to have some control mechanism. Because I am afraid, Ms Jackson, that there are otherwise some people in this world who would see this as an opportunity to get some free money and who would not be entitled to it. You have to have a control mechanism.

Q288 Glenda Jackson: I am sorry. You have to have a control mechanism for a specific, defined group of the British electorate who are deemed to be disabled, but you do not have to have that kind of inquiry for other people. Let us face it: as far as the Government is concerned, if you are self-employed, you come off benefits. There is a very clear financial bottom line.

Mr Harper: You are not treating these cases in the same way.

Glenda Jackson: Nor are you.

Mr Harper: If someone who is disabled who is currently getting an out-of-work benefit wishes to start—

Glenda Jackson: But these are not out-of-work benefits. We are talking about Access to Work, which is not a benefit.

Chair: Glenda, just let the Minister finish.

Glenda Jackson: He did not answer my question.

Mr Harper: I am trying to answer your question, but you keep interrupting me. If you are not disabled and you are currently on an out-of-work benefit, and you come off the out-of-work benefit, you can create a business; that is absolutely fine. If you are a disabled person on an out-of-work benefit, and you come off the out-of-work benefit and create a business, that is absolutely fine. You are in exactly the same position. If you want some support from Access to Work, whether you are employed or self-employed, people will ask you questions about it. If you are employed, people will ask you who you are working for, what job you are doing, and what support you need. If you are self-employed, before they give you the award they will ask you some questions about your business.

The guidance is very flexible: there is no hard-and-fast rule. No-one is going to insist that your business is profitable on day one. It just says that you have to have a reasonable prospect of generating income. To me, that seems perfectly reasonable. If you are going to give someone some support—maybe by giving them a support worker, or a BSL interpreter if they are deaf, or purchasing some technology to help them do their job—it does not seem unreasonable to check that they are running a business.

I am currently missing your point here. It is not discriminating against anybody. If a non-disabled person wants to secure money from a taxpayer-funded scheme—for example, a business start-up scheme—people ask some questions and put some checks in place about what they are doing. They do not just give them a cheque.

Glenda Jackson: I am perfectly aware of that.

Mr Harper: I do not understand your point. I do not see how people are being discriminated against.

Q289 Glenda Jackson: I do not know who, out of the people in the Access to Work infrastructure who look at these applications, has as part of their individual CV that they are advisers on setting up a business. Where is their expertise? No such expertise is exercised when somebody goes into Jobcentre Plus and says, “I am going to become self-employed,” so why does it apply to a separate group of people? Your own Government is loud in voicing how strongly they wish to see entrepreneurial ideas flourish in this country, but apparently not if you are disabled.

Mr Harper: I do not think any reasonable person could draw that conclusion from anything I have said, although you obviously have. We have a very generous scheme here that supports people who want to start up a business. It does not have a very high bar for setting up a business. It just says that the business has to have a reasonable prospect of generating income. Around 8% of the caseload of people who use Access to Work are self-employed. I do not agree with the premise of your question.

Chair: Minister, we have got questions coming up about disability awareness amongst Access to Work staff, so we will leave that subject there. However, we do want to come back to call centres, so we will go back to Glenda.

Q290 Glenda Jackson: Many witnesses that have presented themselves to this Committee have highlighted that Access to Work relies on paper-based application and invoicing systems. This can often lead to delays. Liz Sayce recommended that Access to Work should be made available through a web portal. Does the DWP have any plans to move to a more electronic system?

Mr Harper: Yes. I agree with her. For those that do not know my background, I come from a technology background; I used to work for a technology company. In my comments, I alluded to the fact that there are ways we could make this smarter. If you look at how people procure equipment nowadays, most businesses buy equipment through electronic means. It is all electronic. We do not have lots of paper going around the system. So, yes, I think we could move to a more IT-based system that would be quicker, and would make it easier to share information, and would make it easier to settle the bills. I have asked officials to look at options, and present me with those options for decision.

Q291 Glenda Jackson: So, that process has already begun.

Mr Harper: Yes, we have already begun looking at those. Yes, absolutely. You do not have to persuade me that that is a good idea.

Q292 Glenda Jackson: I am an IT illiterate, so you will need to help me here. If the decision is taken that this will be the future of enabling people to access Access to Work, what is the timescale?

Mr Harper: I am not going to pull one off the top of my head without having seen the proposals. The last Government did not have a great track record with IT. We have done a lot better, but I want to be cautious. There are several points here. One is around

procuring equipment. If you look at how people do that in the modern world, most people in business buy that through some kind of electronic portal. If you are a small business, you will do that through one provided by a third party. If you look at a lot of big companies, they effectively have internal systems where you order equipment and so forth. There are some things we could do in that space.

The system that the Department uses to communicate with its customers, to make decisions and to move the information around is not a very modern system. It is a system that has been used for some years. We could move that on. Having not had the advice from officials, I do not want to make assertions that will turn out not to be right. One of the things I want to do is to get the advice and have a look at what we can do. When we have made some decisions, we will set that out for people in a proper timeline so people know what to expect. It is not going to be overnight, but you do not have to persuade me that we can do some things to make this work better.

Q293 Glenda Jackson: You essentially regard this suggestion as being beneficial.

Mr Harper: Yes, I do.

Q294 Mr Thornton: We have had a communication from someone who uses Access to Work. He is unable to get to work without using taxis. I will not mention names unless we have specific permission, but I will read this as an example of what is happening at the moment: “I currently have three claims outstanding”—for his taxis—“that were mailed first class on 2 October. After three phone calls and one email, nobody at AtW was able to advise me whether the claims had been received; if the claims have in fact been received, when payment will be made; and if the claims have not been received, what is the process for dealing with lost claims. AtW claims are not logged or recorded when first received. Staff at the AtW call centre have no visibility of claims until immediately prior to payment.” There is more.

That is nothing to do with IT; that is a simple, normal expense claims process. We have all had jobs before where you have sent something in, someone recorded it, and someone had it in a file. If you phoned up, they could go and pick up the file with the name of the person on it, from a system using alphabetical order, and say, “Yes, we have received it. You should get it next week.” IT would be a lot better than this, but it sounds like there is no system in place at AtW. That is directly relevant to what Glenda was bringing up.

Mr Harper: Since that is a very operational thing, let me ask Colin to comment on it. On that specific case, though, I am not sure how you got the information, but if you are able to give us the information—maybe not in open session—it might be quite helpful to take it away and resolve it, but also to look at what it tells us about the process. I am very happy to do that, but it is probably not appropriate to share that individual’s details in an open session. Colin?

Colin Stewart: Thanks. I cannot discuss individual cases, but as the Minister alluded to earlier on, in the last six months we have seen some operational challenges due to a move to a different call centre approach and a different operating model. We recruited about 100 new staff to work on Access to Work. As we consolidated down from 72 sites to

three, there were three main things happening. There has been a big impact on training. So, productivity dropped by around 25% over the summer as our new staff were trained. Our intakes have gone up 20% over the summer, so the number of people contacting Access to Work for reconsiderations or normal enquiries has rocketed. Also, we have had 1,000 more customers. A lot of that has impacted on how we are processing, our speed of processing, and our speed of decision-making.

The positive is that since we moved to a new call centre approach, 30% of the calls that were not being taken before are now being taken. Since we have moved to a DWP network approach, we were also able to handle all of the spikes that have occurred through the summer. In the months of September and October, we have been stabilising performance. We are now getting closer to where we were before. In terms of what you were talking about on the payments side, that is part of the process and the problem that we have got. There is a backlog, but we are working through this backlog. Results look better for September and October, and we would expect it to be back on an even keel by February.

Q295 Mr Thornton: I will pursue this very quickly, and then I will shut up. On this, it is not just the fact that he is not getting paid on time—that is understandable.

Mr Harper: It is more the information point.

Mr Thornton: It is the fact that when he phones up no-one is able to find anything about the claims he has sent in or tell him whether they have even been received. That is not to do with a backlog of payments; that has got to do with someone reaching for a file and putting it back again. I am sorry, but that is what every Department should be able to do, whether it is IT or just very old-fashioned stuff. When I started at work, I had a big drawer and I took stuff out. That should be easy to fix—the information. Paying it I can see takes time, but telling someone whether or not you have received a letter and a claim should not be difficult at all.

Colin Stewart: I do not recognise the process, because you are right: that should be able to take place. We have taken on 100 new staff. There is a 13-week training programme for Access to Work. The point of consolidating was to get better consistency and to improve quality. We have had some teething problems through the summer and the staff are learning. It is a long learning curve. By February—by quarter four—we will have a service that is back to the standards of pre-April.

Mr Harper: Give me the examples of the specific case—

Mr Thornton: I will do.

Chair: We have got lots of them, Minister. Do you want them all? We have got thousands of them. I would be happy to send them back to their own MP.

Mr Harper: I think the point that Mr Thornton was making, though, was about what it says about the process. If I have a specific, it is easier to go away and ask the specific question.

Mr Thornton: I am sure the person would give permission if we asked.

Mr Harper: I will get someone to walk me through process and we will see where there is a gap.

Chair: I have to say that a lot of the evidence we got was individual testimonials of administrative problems—not even decision problems; just the frustration of using the call centre and the person at the other end picking up the phone and having no idea of anything about their claim and not being able to access that information; being promised call backs and those call backs not coming; and all sorts of things. There is a range of them. As I say, we have had lots of those. There are particular individual cases I know I have been sent saying they have to get in touch with their own MP to get put through, but we will maybe get a selection of them to you so you can see some of the problems. That has been the big frustration for many people who think Access to Work is a great scheme—

Mr Harper: As do I.

Chair: But the administration of it recently has been appalling.

Q296 Glenda Jackson: We are still on the central calls, inasmuch as we received evidence that users were given no prior information that the system had changed; they only knew it had changed when they rang the usual number and found that it did not exist. Why did you do no prior consultation with Access to Work users before you changed the system on which they are so dependent?

Mr Harper: The reason why I said what I said was I do not think we did it very well. I was very frank about that. I do not think we communicated it very well. I have made it clear that I would expect us, if we made changes in the future, to be clearer about that—not just to customers but also to parliamentary colleagues. We have now set up a forum with stakeholders and customers where we can discuss operational changes and guidance. You would not expect a Written Statement every time we made a small change, but if we were to make any significant changes on this scale, I would expect for us to tell customers; I would expect us to tell Parliament and be much more open about it. Officials expected there would be some difficulties in performance when we were moving to a new model, and if we had been more transparent about that I think we would have had a lot fewer problems. I put my hand up to that; we did not do that as well as we should have done.

Q297 Glenda Jackson: But the evidence that we have received is that those changes were very significant as far as the individual user was concerned. We have had evidence, for example, that the Chair has spoken about of telephone calls not being made even though the individual applicant was told they would be. For some people that could trigger in them a resurgence of their individual illness. Before I go back to the point, I would like to ask another question. Mr Stewart has said that the system has improved, and you I presume have figures to prove that. I am sure the Committee would be grateful if we could see those figures, because certainly the evidence that we were receiving was that the system had not improved, either in the technical aspect of it or in the human voice at the other end of the phone. We have had evidence where people have been really rude to the applicant and have had no knowledge at all about their particular circumstances or their disability, which has had a terrible effect on these people.

Mr Harper: Let me just pick up the point about management information. Those that were here—I think most colleagues were here—at the last session will know I do not think it is very good practice, and it is deprecated both by the Committee and by the statistics authority, for me just to pluck numbers out of the air and give you lots of unverified management information. One of the things I want us to do—because there is not a lot of it about—is publish on a regular basis properly verified and accurate management information so that we have properly verified statistics so we can see how the system is working. Without making some numbers up that have not been previously published, which Ministers were deprecated for before by the Statistics Authority and the Committee, my understanding is the performance now is getting back to where it should be. In quarter four of this financial year—that is the January to March quarter—we should be back to the sorts of service levels in terms of the time taken to make decisions and paying people that we were operating at before. People should see that level of performance restored.

Q298 Glenda Jackson: Are these changes being fuelled by taking into consideration the kinds of complaints that you must surely have received from users of Access to Work about the terrible effect the changes, which they were not informed were coming down the pipe, have had on their lives?

Mr Harper: Yes. The point that Colin was making was that we have hired new staff, those staff had to be trained and there have been some issues in delivering that change. As I said, I think if we had been more open about it with people that would have been smoother, because customers would have understood what was going on and it would have been more helpful. We were not sufficiently transparent. That is something we will learn from. As I said, we have set up this forum now with customers and stakeholders as well, which I think will be helpful, to discuss with people changes in how the operations work. As I said, I want also to be more transparent about publishing data—accurate data, properly verified on a national statistics basis—about Access to Work so that is available in future, and I hope we can do that in due course.

Chair: We are going to need to move on because time is against us and we have got a lot to go through.

Q299 Nigel Mills: While we are on the call centre, Minister, I think the general feedback is it is much less of a positive experience not speaking to the same person all the time; you ring up and no one knows your case history or what you were asking for the week before. Is there some way of moving back to a named adviser or a group of people who will know your case when you ring up?

Mr Harper: There are two things there. First of all, it was not the case that people had a formal allocated adviser, because some of these locations were quite small, and given staff training, illness, holiday and so forth you could not be guaranteed that you would have the same person all the time anyway. One of the things that there has been a problem with is, when people have had decision letters and things like that, it not being clear who made the decision on the case, so it has not been easy for people to have that level of continuity. The new system is much more resilient, because we now use the main call centre, which means we can now answer phone calls when there is a spike in business. It is a more resilient system and it is capable of scaling if we want to deliver on the ambition that

Ms Jackson asked me about to grow the number of customers. The previous system I do not think would have coped with that at all, because you would have not even been able to answer the telephones. This is more resilient.

I do recognise people want that more personal contact, and certainly for those people who have to engage with Access to Work on a consistent basis—that is people with the significant awards and ongoing support—we are looking at specialist teams for people to deal with customers with a particular impairment so they have that expertise and that knowledge. I am also looking at a specialist team to deal with the more complex awards where you really need that expertise and you are going to have that ongoing relationship. You have got one set of customers who are going to have that ongoing relationship with Access to Work where they are looking at ongoing travel support and ongoing support-worker costs; there are some Access to Work customers who may only dip in once every few years when they need to have some equipment or maybe they change jobs or something, and there is a different type of support model required there. I have heard the points very clearly—I have heard them looking at the evidence from the Committee but I have also had individual users tell me directly—and that level of customer service will improve.

Q300 Nigel Mills: In improving that level of customer service, have you looked at perhaps different ways of communicating? There are stories that deaf people get telephoned and blind people get written to. Is there a way of people choosing what communication method would most work for them?

Mr Harper: Yes. One of the things at the moment is the initial contact is most obvious by phone. There is a textphone option for deaf users. I want to make sure we have a properly robust electronic method of first contact, either through email or through the website, so we are looking at delivering that. That just has not been in place in the past. Customers are then able to indicate their preferred communication method with us. For most customers, that will remain the telephone, but there will be customers, for obvious reasons, who prefer a different method of communication, and I want to make sure we can deliver on that as well. They indicate that and we try to communicate with them through their preferred method.

Q301 Nigel Mills: What about people who need an interpreter available to deal with the communication? Is there a way of slotting in an appointment at a convenient time?

Mr Harper: That is one of the issues that we picked up anyway from feedback directly from customers, but I know that has come through from the evidence that the Committee has taken. That is one of the things that we have logged as an issue to take away and be more effective at delivering.

Nigel Mills: And that might include using a video relay system if that was needed. That is an option.

Mr Harper: Yes. Just on that very briefly, one of the things I am looking at in my inter-ministerial group is Government communication generally in terms of letters and consistency of how we do that, for example, for people with vision impairments who

require a particular form of communication—say letters in braille. We are just making sure Government is better at doing that. We are already taking that away and looking at that across Government.

Chair: That is certainly needed. On to the thorny issue of support workers and the 30-hour rule.

Q302 Mr Thornton: I will compress the questions to speed things up. Among the deaf community there is a real concern about access to BSL interpreters. Sometimes there is a misunderstanding that somehow BSL is sort of English with hands, but it is not; it is a separate language. Therefore, English is a BSL user's second language as much as it is for anyone who speaks any other language. That is one of the reasons why interpreters are so important. Even modern technology does not make up for that. Maybe in 10 years' time or something there will be a magic BSL interpretation system online, but there is not now. Following the suspension of the 30-hour rule in June 2014 because your predecessor realised how disadvantageous it was, do you now accept there is a very good reason why BSL interpreter support needs to be provided on a freelance basis as and when it is needed, usually by the day or half-day, and that the Access to Work funding arrangement needs to reflect this and needs a lot of flexibility to make it work?

Mr Harper: Yes. I think it is worth just saying, by the way, that the 30-hour so-called "rule" is not a rule; it is simply guidance. It has been the case since before 2010 that the guidance said that if you required a full-time support worker—either a support worker or an interpreter—Access to Work would normally provide funding on the basis of a salary rather than a freelance rate. The 30 hours was guidance, which has then somehow been elevated into the form of a rule, but it is not actually, and my predecessor suspended that.

In an earlier answer I alluded to two things. There is a challenge about cost control. If you look at the profile of awards—we gave, in our memorandum to the Committee, a sense of the awards—the vast majority of people that use Access to Work have relatively small awards; there is a group of people that have very significant awards. The challenge—it is a challenge—is that quite a significant amount of the Access to Work budget is spent on a relatively small number of people. There is a challenge there about how you best use the money. What we were trying to do was make sure we were spending the money most effectively. The thing that is most important to someone that needs communication support is the support they get, not really how much money it costs. We need to come up with a system that looks at the maximum use of technology and looks at the maximum sensible use of resource but enables somebody to be in work.

I also think—I think this came up at a previous meeting—we need to look at how the whole BSL interpreter marketplace works. It seems to me that almost every BSL interpreter in some way works for the taxpayer, because a lot of them are funded through Access to Work or they are funded through somebody's social care support or through some other mechanism. I just wonder whether we are using and organising that set of skills—and I recognise it is a skilled job—on the most sensible basis to deliver the support that people need. I have picked up the flexibility point. From talking to people in work in senior jobs, their jobs require flexibility—sometimes you are required to travel at short notice. One of the conversations is: how do you deliver that but in a way that reflects there is not an infinite amount of money? That is a challenge. It is not easy. I have

committed that we will work with the organisations representing deaf people to look at how we deliver on both of those scenarios. I recognise the problem and we need to be smarter about how we deal with it.

Q303 Mr Thornton: One of the problems—and I do not want to reduce our interpreters' income—is that it is quite a difficult thing to learn. It is a skill. It is hard. Any kind of interpretation from one language to another that is instant, as we know, is a highly skilled, very difficult job, whatever language it is. Consequently, we do not have that many BSL interpreters, because it is difficult. Perhaps we should look at it slightly sideways and look at perhaps increasing the number of interpreters generally by providing support for training for them. We just do not have enough of them. It makes life very difficult for people and they are able to charge a lot more money. I am glad for them, but it is one of the problems there.

Mr Harper: You raise a very good point. As we look at the point that Mr Maynard made, if we look at providing more support for people who are currently not working or maybe not working in the sorts of jobs they would like to be working in, we need to look at what the consequences are. If there are deaf people who currently do not work who we would like to get into work, we do need to just ask the question: if they were all working, would there be enough people to provide the appropriate communication support? If there would not be and we are doing some policy things to try to get them into work, we also need to think about whether we need to make sure there are more people trained to do that. We have an important role, because we are funding a lot of that, to send some signals to the market and to people that there are some opportunities here in terms of training to do this work and there is going to be demand for it in future. To some extent, the taxpayer and the Government control how much demand there is by these sorts of schemes. That is where we need to be a little bit more sophisticated.

What I was trying to land in my earlier answer was: there is a cost challenge, and people are not being realistic if they pretend we do not have to have some kind of cost control. I do recognise we want to support people to stay in work if they are in work already, or get in work if they are not; I just think we have to do it a bit smarter than we have been doing it. The rules are in place to try to put some cost control in place, but I recognise that they may have been interpreted in a way that was too rigid and did not fit with how business works in the modern world, and we need to try to do that better. As I said, I had some initial conversations when I met with the disability charities with Action On Hearing Loss, and they are very keen to work in a co-operative way to try to come up with a better solution.

Q304 Graham Evans: Access to Work has transformed many of my constituents. In these Committees you sometimes wonder if that is actual fact. My experience anecdotally within my constituency is entirely positive. There are some individuals there who are working and it has really worked for them; it is a great thing for them personally. I have got some questions on the level of staff awareness of disability. Witnesses have been critical of the general awareness of their disability among the staff that they are talking to on the phone and elsewhere. What sort of disability-awareness training are you giving to your staff?

Mr Harper: Before I ask Colin to deal with that and take you through what we have done with the new staff we have hired, I agree with you. I want to be very clear, Chair, that I think Access to Work is a very good scheme. One of the things I am very keen to do, picking up my answer to Ms Jackson, is to have the scheme help more people, but I want to structure it so that we can go out there and sell it as part of our offer to those employers that want to be disability confident. What I do not want to do is set up an expectation but when the people then come and use the scheme the scheme falls over, either because it runs out of money or because we cannot scale it properly. It is a good scheme; I want to make sure more people have the benefit of it to get into work. I just wanted to make that very clear for the Committee. Colin, do you want to just set out for Mr Evans what we have done with our new staff and the training that they go through and so forth?

Colin Stewart: Sure. We brought in 100 new staff in the summer, starting in April. It is a 13-week programme that contains disability-awareness training within it. We do case studies. Everything is based under supervision, so we work through live cases. We have external companies who come in to talk to us and give us some training around, for instance, mental health issues, like Remploy, and we are setting up now to work a bit more extensively with other specialist companies such as Microlink and Communications Plus to help our staff understand issues around hearing impairment. The setting up of specialist teams should also help with this, and we recognise that that is a real positive and could have a big impact. We have set up two specialist teams around the hearing impaired and the visually impaired.

Q305 Graham Evans: Can I just come back to you on that? We have got some information to say that the National Autistic Society and the Association of Sign Language Interpreters have offered to do free-of-charge training for the Department and that training has been refused. Do you know anything about that?

Colin Stewart: I do not recognise that, but we would certainly be willing to engage with those providers, as we have set up to engage with two new providers in the last month. We recognise that we could do better there.

Q306 Chair: They were told you could not accept it because it was free. I think that was from the Association of Sign Language Interpreters. They said they had offered it free but your own procurement policy would not allow them to accept something that was offered free.

Mr Harper: It sounds like there are some very sensible procurement rules that perhaps are being over-interpreted. Let me take that one away, Chair.

Chair: They were very keen.

Mr Harper: I cannot off the face of it see why that would be a problem. Let me take that specific question away and I will both look into it and come back and tell the Committee what I have concluded.

Q307 Graham Evans: Thank you very much for that, Colin, but you did mention that you had mental illness charities in to advise. Did I hear you say that?

Colin Stewart: Yes. Remploy came in to talk about the service that they provide and to help our staff.

Graham Evans: Okay. Just to clarify, you are willing to bring in outside expertise.

Colin Stewart: Yes, and we have set up within the last month two different companies—Microlink and Communication Plus—to help us understand the communication needs of the deaf and hearing-impaired.

Q308 Graham Evans: You mentioned that you had employed 100 new members of staff who were going through training. Out of interest, out of those 100 staff, how many were disabled or had a disability?

Colin Stewart: That is not information that I would hold for the Access to Work team. We have that information at DWP level and can provide it if you wish.

Q309 Graham Evans: Do you think it would be a good idea to look at the proportion of disabled people that you employ—the people who have got experience of that? Would that be helpful within the Department?

Colin Stewart: The Minister might want to offer an opinion on that.

Mr Harper: I am not a great fan of quotas. I do think we should train people properly and I do think we should have people who have expertise, but I do not accept the idea that you cannot make decisions on Access to Work awards unless you are disabled, and I do not agree with quotas. We should hire people because they can do the job and we should be equally open to employing disabled people, but I do not think we should specifically employ disabled people to do this particular work. We should give them the same opportunity to work for the DWP as anybody else is.

Q310 Chair: Surely as a disability-aware employer you would want to be giving disabled people opportunities.

Mr Harper: Absolutely.

Chair: It is one of the frustrations I find that you get local authorities providing employability schemes for disabled people but they do not employ the disabled people themselves, and certainly not in enough volume. Perhaps if you are looking at a call-centre-based approach this might be an ideal job for someone with a disability who might also have the added advantage of having a degree of personal experience and may actually be on Access to Work.

Mr Harper: I am very keen that we employ disabled people. Mr Evans was leaning towards the quota space by talking about numbers, and I was simply saying I am not very keen on having quotas, but I am absolutely open to hiring disabled people. That is not just in the Access to Work roles; that is across the entire Department.

Chair: The Clerk has just pointed out if they are employed by the Department they cannot be on Access to Work, because the Department does all the adjustments and provides the help anyway, so as not to put a burden on Access to Work.

Q311 Debbie Abrahams: I have a question related to that. If you are not able to tell us the proportion or definitely not the number of the 100 new staff that are disabled, can you give a figure within the Department?

Mr Harper: Not off the top of my head. I will go away and look and I will write back to the Committee.

Q312 Nigel Mills: We have been through some of these, but the one we have not covered yet is if someone applies and does not get the decision they would like, there is no formal appeal mechanism as we would think of it for any other benefit, is there? There are stages of review. Are you looking at how that could be streamlined or made easier for people to access?

Mr Harper: Yes. I will ask Colin to add a bit, but there is a review process. If somebody either does not get an award or gets an award that they do not think is appropriate, they are able to come back and have that looked at again. As you said, there is not a statutory process, because the scheme is not a statutory scheme. We try to get those right. I suppose to some extent people always want to have more goes at having appeals until they get the decision they want, but we have a decision-making process; we have an ability for it to be looked at again internally but independently of the original decision-maker.

Q313 Nigel Mills: How clear is it in the decision award letter that there is a review/appeal process?

Mr Harper: Colin, I will let you pick that up.

Colin Stewart: There is a reconsideration process, which is looked at by an independent adviser—not the same person that made the decision. That is set out in the decision-making letter and should be clear. There is also a complaints process, which is the DWP complaints process—a two-tier system—and, failing that, on to the Ombudsman.

Nigel Mills: There is not a specific complaints process for this scheme; it is just a Department one.

Colin Stewart: It is a departmental DWP complaints process. There are two tiers. The first tier is an informal attempt to resolve the complaint; the second tier is a more formal written complaint.

Q314 Nigel Mills: The data you gave us suggest there were only 157 complaints last year, which perhaps does not quite mesh with the feedback we are receiving.

Colin Stewart: The complaints have increased this financial year. We currently have around 350 complaints. 63% of those complaints are to do with service levels.

Nigel Mills: The feedback we have had on the review process is that the onus is all on the claimant to initiate that and then keep taking it through the various stages, and it perhaps does not feel very transparent or independent of the original decision.

Mr Harper: Personally, my ambition is that we just get better at making the right decision in the first place. You can invent a whole appeal mechanism, but I am more focussed on trying to get the right decision in the first place. In terms of where I put my effort, I would rather put some effort into getting that right and then having a review process to deal with those where we do not get the decision right. If you have a good process, it is possible that someone can get an answer they do not like but accept that there has been a fair process to reach that conclusion; and you can have processes where people can get answers they like but think the process is not very good. I want to try to get to the point where if people get awards they either like them or, if they do not like them, we are good enough at explaining how we got there that they can see it may not have been what they ideally wanted but it is fair and reasonable. I want to try to get to that point rather than invent 500 different ways of having an appeal process.

Q315 Chair: I have got some questions on the mental health support service. You said, Colin, that there was a specialist mental health team—an advisory team; I am not quite sure how you described it—and you mentioned Remploy. Is that the workplace mental health support service or is that something different?

Colin Stewart: It is something different. We have a team called the Fluctuating Conditions Team who aim to specialise in that area. When we centralise, we will move that team down from its old location to one of the three sites.

Q316 Chair: We had Remploy giving us evidence and they were concerned that the workplace mental health service had been changed to a self-referral system. They said that that was not appropriate for people with mental health conditions, simply because it made the barrier particularly high; they had to be the ones that initiated, and as a result it was deterring people from engaging with it. Why was the self-referral system introduced? Whose decision was it?

Colin Stewart: That was largely around confidentiality.

Chair: It was around confidentiality.

Colin Stewart: Confidentiality, yes.

Mr Harper: One of the things we are looking at doing when we roll out the Fit for Work service at the end of this year is integrating those. One of the outcomes from the Fit for Work service could be a referral into this. That is one of the things we are looking at at the moment.

Q317 Chair: It was changed from the fact that third parties could make referrals to self-referral because of confidentiality. If you are bringing something under the Fit for Work service, then surely confidentiality—

Mr Harper: That is what we are looking at: to make sure you have the appropriate level of assurance about confidentiality, given the nature of it. That is what we are looking at. I did not say we are going to do it; I said we are looking at how you would do that. We have picked up that feedback both directly and from the evidence that the Committee has received, so that is one of the things we are looking at. I will go away and look to see whether at this point I can give the Committee a more specific update than that. If I cannot give you one now, I will look at when I might be able to give you one when we have made some decisions.

Q318 Chair: The number of referrals has been well down. It is not just because of the self-referrals that Remploy thinks that those numbers are down on last year; they think it is also because of all the problems we have been discussing with call-centre staff not being aware of the existence of the service, so even if they have been in touch they are not getting referred to the correct people. Is that something that has been drawn to your attention? If it has, what are you doing about it?

Colin Stewart: The call-centre staff do not make any decisions on the nature of referrals; they simply take information and pass that detail on as a frontline first point of contact to back-office Access to Work advisers.

Q319 Chair: So, somebody with a mental health problem has phoned in and nobody picks up they have got a mental health problem. Is that what you are saying?

Colin Stewart: They are trained to understand what it is but not to make any decisions on whether the referral is appropriate or not. It is a first point of contact; they take information and pass it through.

Q320 Chair: Why has the number of referrals dropped so much?

Colin Stewart: I cannot explain that.

Mr Harper: I will look into that for you. I will have to write back to the Committee.

Chair: There are concerns that Remploy is the only organisation delivering this service. Remploy themselves say that they have got the capacity to deliver more, but they are not getting the referrals, yet this is a time when we know that those with mental ill-health are growing as a proportion of the people who might want to access Access to Work.

Mr Harper: Let me take that one away. As you know, the Government has made some announcements about significant investment in NHS support for people with mental health problems. I said yesterday and I have said in the House before that if we are going to make a big impact on the disability employment gap—without pretending there are no issues with people with physical disabilities—we are going to have to make a big impression on people with mental health problems, only half of whom are at work, and those with learning disabilities. We absolutely need to do better on the mental health side of things.

Q321 Chair: In some of our earlier questions we talked about the fact that Access to Work is not well known by employers. It is probably better known amongst disabled people but certainly not amongst employers. There is still that perception problem that people with mental health problems do not even know that there is a service such as the Remploy service. That is why you are not going to get self-referrals: they do not even know it exists. Even if they know it exists, they still think it is for people with physical disabilities and they themselves do not understand the help that they could be given through it. That is a particular problem.

Mr Harper: A very clear message is the awareness and the communication. I will take that away on that aspect of the service.

Q322 Paul Maynard: This is the last set of questions. We have had contradictory and confusing evidence regarding the issue of the employer contributions to Access to Work. It is not entirely clear whether it is a token, symbolic contribution because the costs of collecting it are more than is being collected, or whether it is a meaningful contribution towards ensuring employers buy into the Access to Work process. Mike Adams in his review recommended removing it entirely. What is your perspective on how this is functioning and why it is there? Do you have any data on the costs of collection?

Mr Harper: As I said in my earlier evidence, we did something that was helpful. Particularly for smaller employers, this is a potential barrier; that is why we increased the size of the business where we did not expect any cost-share at all up to people employing 50 employees. Larger businesses have to pick up either the first £500 or £1,000 then a share up to £10,000, and then Access to Work picks up everything over that. The cost-sharing principle is right, given that there is a finite amount of money to help a larger number of people. The fact is if you are not doing cost sharing, you are able to help fewer people.

In terms of how much we have seen so far, we have only started collecting the data properly this year. My understanding is it is looking like the work we do with employers in terms of advice means we get more reasonable adjustments put in place than would otherwise have happened, which is a benefit to the employee at no cost to the taxpayer. On cost sharing, on an annualised basis, it is around £3 million for mandatory cost share and around £4 million for voluntary cost share. Just to put that into perspective, the total administrative cost of running the whole of the Access to Work programme is £7 million, so the cost share that we currently get covers the admin cost of running the scheme. It is not a trivial sum of money, and it is certainly not less than the cost of collecting it.

We do need to look at that and see how that is working. One of the things I have asked the Department to do is to look at our existing customer base and what we know about the employers. That does mean going off and doing some manual data analysis, unfortunately, but I want to just get a sense of: are we helping people who largely work for big companies? Are we helping enough people who work for smaller companies? Are there any things in the way the system works that move us in one direction or the other? I want to take full advantage of the amount of taxpayer money we have got and the amount of employer resource as well. That is part of where we have those smart conversations. For people with significant support needs, there is a conversation to be had with employers about what is reasonable for the taxpayer. What should they be doing? Can they look at

how they run their business? What is the access to technology? We need to look at all of that to deliver the best support possible for that employee to stay in and get into work. Sorry, that was a long answer to your question.

Chair: We have exhausted our questions. I cannot believe that we have finished on time. Often we over-run, but I was told that we definitely had to finish on time today. Can I thank you very much, Minister, for coming along, and thank you, Mr Stewart, for coming along as well? This is the last oral evidence session. We will now deliberate and agree our report, but your evidence today is very useful. There are a few things that you have said that you will write to the Committee on, and we will look forward to receiving that, particularly around the mental health stuff, which seems to have been quite thin in terms of your ability to respond. We do look forward to that, but thank you this morning for coming along.

Mr Harper: My pleasure.