HOUSE OF COMMONS

Work and Pensions Committee

Oral evidence: Progress with disability and incapacity benefit reforms, HC 967

Wednesday 28 January 2015

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Written evidence from witnesses:

- Department for Work and Pensions

Watch the meeting

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

Questions 1 - 94

Witnesses: **Mr Mark Harper MP**, Minister of State for Disabled People, Department for Work and Pensions, **Noel Shanahan**, Director General, Operations, DWP, and **Justin Russell**, Director, Employment and Support Allowance Directorate, DWP, gave evidence.

Q1 Chair: Can I welcome you this morning, Minister? Could you introduce yourself and your colleagues for the record, please?

Mr Harper: Sure and thank you very much, Chair. Mark Harper, Minister for Disabled People. On my left is Noel Shanahan, Director General of Operations, and on my right is Justin Russell, Director of our Employment and Support Allowance division.

Q2 Chair: We have just been given this morning a rather detailed statistical release about the latest PIP figures and waiting times.[1] We have obviously only just got them, which is a bit hard for us inasmuch as it is pages of quite small type. Could you talk us through them and then we will have some questions on what they show?

Mr Harper: Yes, Chair. As I said in the letter I wrote to you last week, which I hope has been shared with the Committee, the point of it was to try to get you the latest information. As you will see from the release, this information is up to 25 January, so up to just three days ago. I thought it would be helpful to get that and, as I said in the letter, I am very happy, obviously, to take you through the publication and very happy to answer questions

[1] Personal Independence Payment new claims: ad hoc statistics

from colleagues across the Committee. I am happy to take questions from colleagues as we go through.

Chair: If you start, we will interrupt you, do not worry.

Mr Harper: Fine. First, on page five, just to be clear, this is for new claims under normal rules. There is a little bit at the end, which I will touch on briefly, which is for the special rules for terminal illnesses. These are for the normal rules and they are focusing on the new claims because that is obviously the area that, last summer, people were most concerned about, because obviously it is new claims where people are not receiving any payment until the claim is decided. Obviously, for reassessments, where people are already getting DLA, they are having a claim in payment until the decision is made. These are new claims.

The table shows that between 8 April 2013—the start of the benefit—and the end of last year there were 625,000 new claims, so that is where somebody registers a claim for PIP, and 523,000 referrals to the two assessment providers. The gap between the number of registrations and the number of referrals obviously relates to the fact that, once somebody registers a claim, we then send out the claim form and there is a period of time that that claim form is with the claimant, or it may be that the claimant has chosen to withdraw their claim between those two dates or the Department has disallowed the claim before it is referred to the assessment provider.

Q3 Chair: Or it may be that they have died; that is possible as well.
Mr Harper: It may be.

Chair: If they were under the special rules.

Mr Harper: These ones are for normal rules, but you are right in principle. We have set out as well there some of the reasons why the decisions are taken.

You can also see that the number of referrals to the assessment providers has remained broadly constant, at about 30,000 per month, but the number of returns from the assessment providers—so that is where somebody has had their assessment and the assessment provider has then done the report that has come back to the Department—you will see has increased since last summer, each month, with over 52,000 being returned since October.

If you look at the graph on page seven, that sets out very clearly the broadly constant referral line, which is in blue, and the pink line, which is the returns from the assessment provider. That basically says, "Why did we have a problem in the summer of last year?". Very straightforwardly, we were not clearing the number of claims that were coming in and so the backlog was effectively rising. That also shows from last summer, after the Secretary of State had made his commitment to sort this out and after I had been appointed—and, as I said to the Committee and have said in the House, this is my top priority—we have increased the number of assessments people have had and those returns from the providers, so, as at August, we were clearing more cases than had been referred to the providers. You can see that the backlog was then coming down, and we have obviously made a considerable amount of progress since last summer.

If you look at the average, which is the median average assessment provider clearance time in weeks, again you can see why we had the problem last summer and why there was so much concern and why colleagues on the Committee and others in the House will have had concern from their constituents. The average clearance time last summer peaked at around 30 weeks. Obviously, there will have been people waiting longer than that and some waiting less time than that; that was the median, the average person. You can see, since that period, that has fallen each month, and as we entered 2015 the average was down to 14 weeks, so has more than halved.

Q4 Chair: Is that why we have got the statistics just today: you wanted the most recent statistics, because the only month on this chart that shows that you are below the 16-week target is January? In fact, in December it is still 18 weeks, and in November and October it was 23 and 22 weeks. That same month, in December 2014, instead of the average of over 30,000 referrals, it was only 25,000 referrals, so as they are worked through there might be fewer, which might explain why in January it appears you have hit your target, but is it likely to go back up again in February?

Mr Harper: No. On the number of claims in December, the number of referrals is a function of the PIP2 forms coming back and going to the provider. Of course, in December there are a few fewer working days because of the Christmas holiday. No, the reason for using the latest data is this trend is continuing, and in a moment I will ask Noel to set out what we have done with our assessment providers and what they have done to improve the performance. This trend is continuing, so we are continuing to increase the number of assessments we are seeing; we are continuing to see the number of decisions increase; we are continuing to see the waiting times reduce; and I wanted to present the Committee with the most up-to-date picture.

Q5 Chair: While the trend is downward and that is good, it still appears as though you have 110,000 sitting in a backlog as of this month.

Mr Harper: There is a useful debate to have about work in progress and what is a backlog. In any system where you have a big volume business, where you have a lot of decisions being made and assessments, at any point in time you are always going to have a significant number of claims that are work in progress. You are going to have the number of cases that are registered, where we have issued the forms to the claimant and the claimant is collecting their information and sending the form back. That is the gap between the registrations and the referrals to the assessment provider.

Q6 Chair: The figure I have just quoted from the chart on page nine does not include that, because if you add together the ones outstanding with the assessment provider that is almost 98,000 and outstanding with the DWP is 12,000. That is where the 110,000 comes from, so that is not sitting with the claimant.

Mr Harper: No, but I was going on to say that also in a process where people return the forms and you are going to schedule appointments and make decisions, if you are going to have an efficient system that is working properly, you are always going to have a number of cases that are in that process. If the system is working properly, if you are going to

keep those assessment providers occupied, properly working and delivering the assessments in an efficient way and at good cost to the taxpayer, you are always going to have some cases outstanding. The backlog is where you are not clearing the cases and not delivering against the expected amount of time.

What I have done on the next side, on figure three, which effectively puts the information in the table you have just referred to—

Chair: That was the table I was referring to.

Mr Harper: Yes. What that shows is, if you look at July last year, where the number of claims outstanding both with the assessment provider and with the DWP was at its peak, it has come down consistently since then. The red line on the graph illustrates for the Committee how many claims you would expect to be outstanding if you graph 16 weeks' worth of work. You can see that we now have fewer claims than that outstanding.

I want to go further than that. I want to deliver a better service, so one of the things we are working through at the moment is where is that point where you have an efficient operation, you are keeping assessment providers busy and efficiently working through and assessing customers, and what is the lowest level of waiting time you can deliver for customers that is commensurate with that. That is why we want to continue bringing that down, and we will set out later what we think we can do. You will know across our other businesses we tend to set out waiting times in the style of we will clear 95% of cases within a certain period, which is so that the customer knows what to expect, but you also recognise that there are always going be a percentage of complex cases. There are always going to be cases where the customer, often for good reason, fails to attend their assessment appointment and has to be rescheduled.

That is what we are working through: to say "What should that number be?". I do not think 16 weeks is where we want to stop, and you can see we are driving it below that. I want to see how ambitious we can be in terms of setting out a better expectation for customers. Where we then set that out and fail to hit that—so cases where people are waiting longer than that—you can accurately describe that, and we would describe that, as a backlog. However, I do not think you should say that for every single case that happens to be in the system, because you are clearly never going to get a system where somebody registers for a PIP claim, they get a form instantly, they send it back instantly, they get an assessment appointment the next day and the decision made the next day. That is simply not a realistic way of running a business.

Q7 Chair: Then you are absolutely right that the key is how long the individual has to wait for the whole process. The fact that the assessment process is 16 weeks or, hopefully, even less than that, that is four months of that bit of the process, but of course that is not how long the claimant has to wait. The point where they pick up the phone to the point where they get the money, how long is that process at the moment?

Mr Harper: The period at the front end of course is—

Q8 Chair: No. Whether all of it is in your control or not, what is the average time taken from a claimant picking up the phone to register a PIP claim to when they get a decision that they are not getting the money or they get the money?

Mr Harper: I have not set that out in the statistics.

Chair: No. That is why I am asking it.

Mr Harper: I know. The reason why I wanted to publish the statistics was because the Committee, in the past, and I know particularly Ms Gilmore when she wrote to the UK Statistics Authority, has deprecated Ministers, and so has the UKSA, for pulling out unverified management information that is not validated that we pull out to suit ourselves, and then you do not get to see the data. I wanted to bring some properly provided statistics that we would publish and make available for the public so we could then have a sensible discussion about the thing that had most concerned people, which was the wait people had had to get an appointment.

What I can say to the Committee is that the first part of the process, how long claimants take to return the PIP2 form after they have—

Q9 Chair: You must have an average.

Mr Harper: It is obviously within their control.

Q10 Chair: It is within their control, but you must have an average. For operational reasons, you must have an average.

Mr Harper: The thing you are driving at, which is one of the things that we have had raised in the House and, I think, Chair, you have raised it yourself, is once the assessment report is returned to the Department, how long does it take Noel's decision-makers to make a decision. The full data will be published in the statistics we release in March, before the general election. What I can say to you today is that that decision-making piece that the Department owns is in days not weeks.

Q11 Mr Thornton: I am looking at these figures, and the average assessment clearance time, which I believe is when it is with the assessment provider, is 14 weeks now. If I filled in a mortgage application form with the Nationwide, apart from the survey, so say it was a re-mortgage, I would probably get a decision within two or three days. That is a commercial company—well, it is a building society.

Nigel Mills: Apart from the survey

Mr Thornton: No; I said "apart from the survey". If you are re-mortgaging your own property, you would get a decision in principle, etc., apart from the survey. That is two or three days. They have to provide proof of income, they have to provide proof of deposit, they have to show where they have been living for a certain length of time, so it is not that dissimilar to what we are doing in a PIP claim. They have to provide an awful lot of information, and the motivation is to get a mortgage; the motivation for PIP is to provide money to live on. I cannot believe that our target is 16 weeks. I cannot believe that we are

satisfied with 14 weeks. This is people going without the means to support themselves and we are taking four times as long as the Nationwide would at its most extreme and when something has gone wrong. If you told someone at the Nationwide Building Society they had waited for three weeks for a mortgage offer when all the information was in, that person would have a genuine complaint and they would get a bunch of flowers or something. Yet you are talking about four times as long as that is a good thing that we have come down to.

Mr Harper: No, no. I thought I was very clear—I clearly was not—in my response to the Chair. First of all, the time it takes for the Department to make a decision once it has all the information—so once it has the PIP2 form, all the evidence from the claimant and the report from the assessment provider—is taking days, not weeks.

Q12 Mr Thornton: I am sorry; that is not good enough. Sorry to interrupt. The assessment provider is part of the process. We cannot separate the DWP. As long as the person has provided all the information they need on the form, it does not matter whether it is the assessment provider or the Department; that process, 14 weeks, is far too long.

Mr Harper: I am not disagreeing with you, but you cut me off before I had finished the thought.

Mr Thornton: I am sorry. I am like that sometimes.

Mr Harper: In your analogy, which I am not sure I am entirely comfortable with, but it is your analogy so I will just follow it through, you spoke of the Nationwide making a decision "apart from the survey". The Department, once it has all the information, including, taking your analogy, the survey, which is effectively the detailed assessment report based on the assessment, is making a decision in days, not weeks. You are absolutely right, though. I made it quite clear to the Chair 16 weeks is not where I want us to remain, so we are continuing to drive performance.

I just wanted to be clear to the Committee: this was my number one priority when the Prime Minister asked me to do this job and appointed me in July, and I have made that very clear. We have been working incredibly hard, not just me but my officials and the people working in the assessment providers, to get this right for our constituents. We have continued to drive that performance and I have made it quite clear I do not want us to be content with the 14 weeks that we have achieved. I want us to improve that. What we are working on at the moment is where can we get that down to that is consistent with an efficient process? You do need to have some work in progress, because you need to make sure, if you like, across the pipeline that the assessment providers and the resources they are putting in place are working and you do not want people sitting around not doing anything. Equally, you want customers to have the best possible experience, so I want to drive that down.

In parts of the country the performance is better than this. This is the average across the country. I want to continue going further. I am not satisfied with this level of performance, so we want to continue to improve it. The Secretary of State last summer said in response to a debate—colleagues raised a whole load of issues and there was a clear view, which was agreed with by the Department, that this was not working properly—his ambition was to ensure this was working properly. So, as we exited last year and came into this year, if someone applies for PIP now, they will get a good

experience, which is what we want them to have, but I want to continue improving it, and the Department is absolutely focused on doing so.

Q13 Mr Thornton: Could you find out the figures for us for what is best practice? You say in some parts of the country it is a lot better than others, so if we could find out what is doing the best, that could be, surely, the next interim target to get everyone up to the best.

Mr Harper: I would not disagree with you.

Q14 Mr Thornton: If we can find out what that figure is, it will be very interesting.

Mr Harper: I want to make sure we are delivering a really excellent service for people applying for this. You are quite right it is an important benefit. It is for dealing with the extra costs of disability. Just to be clear, it is not for dealing with people who are out of work as a result of their health condition or disability. There are other benefits that deal with that, but there is a real issue for people, as I have said in the House, in terms of cash flow. Even though we backdate the payment, there is a real issue for people when it is taking too long. The solution is to get it working more quickly. The point I am trying to land with the Committee is we have made a lot of progress compared with where we were in the unacceptable period last summer, but I am not satisfied with where we are, and it continues to be my top priority and we will continue to drive that performance. I hope that sense of urgency in trying to get that done is clear to the Committee.

Q15 Mr Thornton: Absolutely, and we would be very interested in the figures for the best and the worst. You do not have to identify them by region or office. I would just like to know what the figures are for the best offices where they are doing the best. Then we could say, "That is a reasonable interim target".

Mr Harper: I will try to share that with the Committee. Perhaps I can write to you, Chair, after the Committee and just give you an idea about when we would be in a position to set out what our new ambition is. I am conscious that I want to get this right. I want to set a challenging target for the Department, because I want to try to really push that level of customer service. Equally, what I do not want to do is set a target, promise something to people and then not deliver on it. One of the things that politicians should try to do is be ambitious and set challenging targets to deliver good service to our constituents, but we should also be straight with people, say what we are going to do and then do it, and not overcook it and then not deliver on it. It is trying to get that balance right, but perhaps if I set out for the Committee when I think we would be in a position to set out that ambition, and then we can exchange correspondence on that in due course.

Q16 Chair: Where you are right is that the claimants, all the time they are waiting, are incurring costs. That is why they qualify for the benefit and PIP in the first place.

Mr Harper: Yes, absolutely.

Q17 Nigel Mills: I have three questions. This is obviously showing a great improvement on where we were in the summer and you now look like you are hitting the 16-week thing, so that is, I guess, what we were all hoping to see today. Is there a difference between Atos and Capita in this performance?

Mr Harper: Picking up the point I made to Mr Thornton, the speed at which we got this going has been different. Yes, Capita has performed more quickly, but Atos also. In every region of the country we are clearing more cases than are coming in, so we are eating through the backlog. It would be fair to say that Capita have moved more quickly than Atos, but Atos has made huge strides as well, so both of the assessment providers have put a lot of work in place. I do not know whether, Mr Mills or the Chair, if it is helpful to the Committee, if you want to have a sense of what we have done and what the assessment providers have done to improve the performance. I am very happy to ask Noel to set that out briefly for you, but it is entirely up to you, because I have not done that.

Q18 Chair: Any information you can provide is fine, but we still have questions to ask.

Mr Harper: Of course.

Noel Shanahan: Shall I just give you a quick overview of the work we have done with both providers?

Q19 Chair: We have the statistics and things in front of us, and we appreciate that, yes, you have improved; we have seen that from the statistics, but can we ask some specific questions? We have a lot to get through this morning. We have not just got PIP; we have got ESA as well.

Mr Harper: That is fine.

Q20 Nigel Mills: You are running at roughly 20,000 more assessments being completed than new claims a month now, aren't you? Presumably that will clear the backlog, in two or three more months, down to where you think it is a reasonable target. I guess you are going to have to come to a view on how long you are prepared to keep paying, in the Department and in the providers, for a capacity much higher than your volume. Is that something that you are planning now to see?

Mr Harper: The point that we are working through, which is why we need to do this carefully, is that the Committee will be familiar with the fact that these are obviously new claims. We have what is, not very helpfully I think, called "natural reassessment" that is taking place, which is where you have people with a time-limited DLA claim where those are reassessed for PIP. The Committee will know that we have been switching that process on in a careful way, so the two tranches that I have done we have switched that on in a careful way in areas where we know we have the capacity to deal with it.

The thing that we have not done yet, which is clearly going to require a lot of capacity, is what is, again not terribly helpfully, called "managed reassessment", which is where you have people with indefinite DLA awards, for which we have said that process will start

this autumn. That obviously is quite a considerable number of claims and will require a lot of capacity. Part of what we are doing here is building that capacity, driving down the performance, the waiting time for new claims, but also conscious that we need to make sure that capacity is in place as we then reassess existing DLA claimants and make sure that we do that in a way that is tied to the capacity. What we do not want to do is to reassess people and then have them wait for a considerable period. We want to make sure that works well, so it is balancing those.

Q21 Nigel Mills: It is not a case of throwing resource to fix a problem and then moving the resource to go and fix a different problem. This is a proper build-up of capacity that you can sustain.

Mr Harper: Yes. What has happened here is that the capacity in the system, particularly the capacity of the assessment providers, did not come on stream and was not put in place quickly enough to take account of the cases coming in the system. As I said when I was running through the numbers with the Chair, if you look at the gap between what we were clearing and what was being referred to the providers, in the early part of this the providers simply did not have the capacity. It is interesting. In the last six months of last year we cleared double the number of cases than we did in the 14 months before that, so there has been a real step change in the capacity in the providers. That just did not happen quickly enough. It is not a case of throwing resource at it, dealing with a problem and then taking the resource away. It is a case of getting the resource that should have been there, but just did not get there quickly enough, and that is where we have put that real focus on making this happen.

Q22 Nigel Mills: On a slightly separate matter, we are using median data here, and there is a risk, of course, that once someone goes past 16 weeks you leave them forever, because they have missed the target, and it does not then matter. What is the longest wait looking like now? Are you doing that target management or are we trying to get everyone through as quickly as we can get them through?

Mr Harper: You are absolutely right to say—and I think I said this when I gave evidence to the Committee last year—you have to be very careful with targets to make sure you do not drive perverse incentives, so what we do across the Department and what we do here is look at two pieces of data. You need to look at the clearance time, which is what I have set out here, and we have set out the outstanding claims here, but if you are not clearing it in that period of time you also want to make sure there is not an incentive to just not worry about it. That is why we have the outstanding numbers here as well.

You are right; you have to look at both of those, because otherwise if you only measure the clearance time you would be setting up an incentive to not worry about people once they had missed that. We have been very clear here that we have been clearing the oldest cases first and making sure that we worry about them. Even if they miss the aim, we still want to get them through the system so that we do not leave anybody waiting. You are quite right to flag that up as a concern, and the Department, because of its other businesses, knows that you need to measure both of those things otherwise you can have that perverse incentive. You are quite right.

Q23 Sheila Gilmore: I wanted to ask a different question about these statistics. Back in 2010, this whole process was set off on the basis that there were, apparently and allegedly, too many people in receipt of DLA—that this had to be cut back for both financial reasons and, it was said, for numbers reasons. I notice that 49% of these claims under the normal rules are receiving PIP. We were given statistics previously, when we were discussing this at the outset, that 50% of DLA applications were successful. Are you making any effort to look at these outcomes and see if this whole process is justified? It has upset people. It has distressed people. It has worried people. It has put people through delays that could have been predicted. This did not just happen by itself. If there were not enough resources put in at the beginning, I have to say that is the DWP's responsibility. Are there going to be overall savings out of this or, if the same number of people who are receiving PIP have previously received DLA, is this whole process likely to make any savings?

Mr Harper: The process has been necessary. If you go back over the DLA spending, it had gone up by a half over the last decade. It was up by over a quarter in real terms before PIP was introduced.

Q24 Chair: Minister, we interrogated two of your predecessors on that. A lot of that was demographics and the fact that, once you are on DLA before state pension age, you stay on it, and people are living longer and people with disabilities are living longer. The actual increase was less than 8% that could not be accounted for in terms of demographics, so it is not quite what you said.

Mr Harper: Well, no, but Ms Gilmore has asked me a question about whether there has been a difference. If you look now at what has happened already since we introduced PIP and if you look at the forecast in the OBR, the combined DLA and PIP spend forecast is expected to be broadly flat, so I think we have dealt with the growth.

Q25 Sheila Gilmore: It may be expected to be broadly flat, but from the figures we were given before, we were told there would be 20% fewer people receiving PIP, and that is what alarmed people, because they began to think "Am I going to be in the 20%? What is happening here?". 20% is quite a lot—it is a fifth less—but are these predictions that you have made before, even about a flat rate, sustainable? I am not saying it is a bad thing. I am just trying to get my head around why it was necessary to go through all this process if, in fact, the end result is not going to be very much different from where we started.

Mr Harper: The forecasts that I mentioned that were in the Autumn Statement are not our forecasts; they are the OBR's forecast.

Sheila Gilmore: Based on, presumably, information you give them.

Mr Harper: Of course, but as you will know, the OBR does not just take what the Government give it at face value. It tests and asks questions and probes and has to make a judgment as well about the reasonableness of what the Government think. The OBR's judgment in those forecasts is that it thinks that the spend on DLA and PIP over that period will be broadly flat. They are not our numbers; those are the OBR's numbers. You can argue about them and say you do not believe them and you think they will be

different, but those are the numbers that the OBR has signed off for the Autumn Statement.

Q26 Sheila Gilmore: Are you doing an evaluation? Is there any comparison being done? When we were discussing ESA even three, four, five years ago, one of the difficulties we encountered, as a Committee, was that when we asked for figures on Incapacity Benefit and how many people under the previous testing system were or were not granted benefit and was it worse, better and so on, we were told that that information was not available, so we have never been able to see any clear comparison between ESA and Incapacity Benefit. Is that being done in any meaningful way for this new benefit?

Mr Harper: In terms of looking at the policy intent compared with the outcome?

Sheila Gilmore: Policy intent compared with the outcome and the comparison with the predecessor benefit.

Mr Harper: We do look at the policy intent compared with the benefit. One of the problems we have had—and I am not blaming anybody; it is our fault because we have not processed enough claims—is that up until relatively recently we had not had enough volume go through the system to be able to draw sensible conclusions. Now that we have done that we will analyse those and see if the claims are coming out compared with what we expected in the policy intent.

You will know, of course, one of the things for PIP was about making sure the benefit was more accurate. In other words, PIP is better, I think, people accept, in the way it is designed to deal with those things the DLA did not. The DLA did not really deal with things like mental health problems or cognitive impairment very well, and PIP was focused on helping those people with the most severe need. That is what we intended to do; that is what I think is happening, but of course we will keep that and look to see if the policy intent is being delivered through the assessment.

As I said, on one of the problems up until relevantly recently, and you can see from my remark to Mr Mills, we have done more clearances of cases, more decisions made, in the last six months than in the previous 14 months of the benefit. As we have really put that capacity in the system, we have enough decisions to start drawing some meaningful conclusions, and I do not think that was really possible at the beginning of the process, because we simply had not had enough claims go through the system.

I have set out where we think the spending will be, and that has dealt with the significant growth that we have seen in the past, and obviously we will keep that under close review. We will do that and I am sure others will as well, and I am sure this Committee will play an important part in doing that.

Q27 Sheila Gilmore: You will compare with the past then, because you cannot say more people with mental health conditions are getting the benefit unless you have a comparator to base that on. It is just a statement or an assertion.

Mr Harper: I did not say that. What I said was that the design of PIP was specifically to make sure that you also captured some of those health conditions and disabilities that were

not well dealt with by DLA. My understanding of the process of designing it is that a lot of work went into making sure it dealt with things like mental health problems, fluctuating conditions, cognitive impairment—the sorts of things that were not well dealt with under DLA. I have accurately characterised how the design was undertaken.

Q28 Chair: Is it not the problem that when the Treasury and the OBR came up with the figures about how much the move from DLA to PIP would save, they could not possibly know? At that stage the descriptors had not been written and the criteria of who would get and who would not get the new benefit had not been drawn up, apart from a very crude calculation that, because the lower level DLA care was disappearing, somehow that would all be saved. However, of course some of the people sitting in lower rate care DLA might qualify for the standard or, indeed, the enhanced PIP, for the reasons you have given. It was very much a guesstimate of savings and, as Sheila says, that frightened people.

You are now in a position—you have now had the volume through—to work out whether there are more people receiving PIP, which might be possible because the real criteria have been written and the descriptors have been written, or fewer. That way, you will be able to get much more robust figures as to whether the introduction of this benefit will save the Government money, be cost neutral or, indeed, will cost the Government more money and might be more generous than previous benefits.

Mr Harper: There are two things. Clearly we will and do look at the performance of the benefit. As I said, in terms of the forecasts that are inside the welfare cap that were set out in the Autumn Statement, those are tested by the OBR. They look at actual performance and what we are expecting to happen and so forth, and those are all published for everybody to see.

The difficulty is trying to do the comparator with what would have happened if DLA had carried on happening, because it is quite hard to take all of the decisions we are making on PIP and say, "What would have happened to all of those cases under a different benefit that did not deal well with certain health conditions and disabilities?" and then compare the two.

Q29 Chair: You must be able to extrapolate that, because way, way back, when Maria Miller was the Minister and we looked at this initially, a lot of the aspirations for PIP could have been achieved through reforming DLA. A lot of the face-to-face assessments, changing the descriptors and those kinds of things could have been achieved with DLA, but the Government chose instead to bring in a new benefit. We are asking whether we can quantify in monetary terms what it means for the Government to bring in the new benefit, because we know that bringing in a new benefit has caused a great deal of fear and alarm for existing claimants. In order to be able to balance those two things, was it worth all this upheaval for existing claimants? Do they end up with a better outcome than they would have got by just reforming DLA, for instance?

Mr Harper: If you say, "If you reformed DLA to introduce face-to-face assessments and then reformed it so that it took account of the things it did not take account of very well", I am not quite sure that that is enormously different from introducing a new benefit that does all those things.

Q30 Chair: The difference is that people knew DLA, trusted DLA, were on DLA and, I think, would have understood why perhaps they needed to have an updated assessment, whereas the whole atmosphere was poisoned perhaps in the minds of many disabled people, because they thought that the reason the Government were introducing a new benefit was to take their money away from them. That has been the problem that has made it more difficult for you, as a Minister, to get people to accept that this is the right thing to do.

Mr Harper: That may have been how some people characterised what we were doing.

Chair: That is why I am asking you to respond.

Mr Harper: I do not think it was a fair characterisation. This is the point I was making when I was trying to talk about savings. We have dealt with what I think was the unsustainable growth in spending, but we have not reduced what we are spending. What we are arguing about is, if someone wants to pretend we have cut something, we have cut the rate of growth but we have not cut what we are spending because, as I said, the combined DLA and PIP spend forecast over the six years that the benefit will have been in existence to the end of the Spending Review period will be broadly flat. It depends how you want to characterise it. It has dealt with keeping the spending sustainable, which means that you can then reassure people who get the benefit that there is a sustainable benefit that is affordable for the taxpayer. You can see from the forecasts we have set out, and that the OBR validated in the Autumn Statement, that for the range of benefits, for ESA and for PIP and DLA together, we are within the welfare cap, so it is a sustainable benefit system. You do not reassure people if you have a system that looks like it is going to become unaffordable at some point in the future. Then people will worry about what you are going to have to do. Having a system that is sustainable—and I know how valuable PIP is to enable people to be independent, to be able to work, to be able to have independent lives—is a very good way of being able to reassure people that that benefit is in place.

Q31 Glenda Jackson: Have you produced statistics—sorry, my eyes and my glasses are not good enough to manage the very small print of the statistics you have furnished us with today—on people who are waiting a great deal longer than 16 weeks for their PIP assessment? The Disability Benefits Consortium has said that there are a significant number of claimants who have waited not only longer than six months but for longer than a year, and that obviously has a knock-on effect upon the whole family.

The second question is: you keep on and on about driving the time. Evidence has been presented to the Department, and certainly has been presented to this Committee, that the process itself is not fit for purpose, so what are you doing to change that? It is not simply a matter of assessors. We have all heard about the endless forms that have to be filled in, a completely lamentable appointments system, where an individual, because of their specific illness, either cannot answer a phone or they do not receive the envelope. It is not simply a question of time and it is not simply a question of the number of people employed to assess; it is the actual assessment process itself, so what is being done to improve that and make it fit for purpose?

Mr Harper: Let me take the first point you made about people who have waited a long time. I make no bones about it. People have waited and, as I said, this really came to the fore last summer. There have been people in the past who have waited a great deal of time before getting their assessment and then their decision for the benefit. That is unacceptable. I have been very clear about that in my answer to Mr Thornton. I want people who apply for this benefit to have a good experience in doing so. They should get their form, they should be able to collect their evidence, we should give them clear information about what they need to send in. Of course, one of the things we are doing is trying to make sure that, if we have enough evidence on paper, some of these decisions are able to be made without having to call someone in for a face-to-face assessment if the position is clear. However, if they have to come in for a face-to-face assessment, they should not have to wait a long time for that and then we should make a swift decision.

That is the ambition, but I do not resile from the fact there have been people who have had a very poor experience. We all know; we have had in our own constituencies—and I have had to write letters back to colleagues—people who have now had the assessment and a decision, but if you look at the length of time they have had to wait, it has been not acceptable, and I make no bones about that. That is why I have been putting so much effort into this; I know it has a real impact.

Q32 Glenda Jackson: With respect, Minister, the point I was attempting to make here is that there surely has been sufficient experience over the period of time that PIP has been introduced to show where it does not work—where the process is inadequate.

Mr Harper: Okay. I have dealt with your first question, which was about time. Let me just deal with the process. I would not agree with your characterisation of the process, except I absolutely accept the time people have waited has not been acceptable. I am not sure whether you are going to ask questions about this, but if you look at Paul Gray's independent review, he took a great deal of evidence and spoke to a lot of people. I absolutely accept that the experience people have had waiting for it has not been great, but this is the evidence when people have had an assessment. I am not pretending there are no individual examples of problems, but, on my reading of his report, I do not think you can characterise the process as one that is not largely working.

Are there things we could do to make it better? Yes, there are, and Paul Gray sets out in his report a number of short-term, medium-term and longer term things that we can do to improve that, and we will be responding to his report in due course to set out our response to those things. Some of those things we are working on already in terms of better communication to customers so they know what evidence they have to produce. We now confirm to them when we get the form back, so that they know we have had it, because we had issues at the beginning where people sent their forms back, we did not get the form but they did not know that, and they would wait a long time and then make enquiries and discover that the form had disappeared, so we communicate with them now.

There are things we can do to make it better and we are going to do that, and Paul Gray has made a number of recommendations, but I do not think the characterisation that you put on it is one that is borne out by his report or the evidence. I accept of course that there will be individual cases, but I do not think the experience of people generally, once they have had the assessment, is a poor one.

Glenda Jackson: We will have to agree to differ on that.

Q33 Debbie Abrahams: You mentioned right at the beginning, Minister, that there is a 26% attrition rate in terms of people who have withdrawn, had a claim disallowed or, as the Chair mentioned, have died. How does that compare to DLA?

Mr Harper: I do not know. I do not have those statistics in front of me.

Q34 Debbie Abrahams: Could you find out?

Mr Harper: I will have a look and write to the Committee.

Debbie Abrahams: Thank you.

Q35 Chair: Just before we leave statistics, can we get on the record the terminal illness ones? That is generally a good news story as well, although in October it was down to six days and has gone back up to seven, but I do not want to be churlish about that because you have managed to drive that down.

Mr Harper: The reason why I put that in, Chair, was that I know there had been an issue with this in the autumn of 2013 and I know this was one of the areas my predecessor had focused on and, working with Macmillan, had put a process in place. It was really just to confirm for the Committee now that, if you qualify under the special rules for terminal illness—so where your prognosis is that you have less than six months to live—we have put this process in place. It was just to say that we are delivering the seven working days, which had been my predecessor's ambition, consistently and I think that process is working. It is really important obviously, because you do not want people with that short prognosis waiting, and I think that process is largely working. I know there is an issue for people who have health conditions where they are terminal but it is longer than that six months.

Q36 Chair: You were just anticipating my next question: whether you have made any progress for those who do not have a terminal diagnosis but have a rapidly progressive illness. We were speaking to people with MND last night, and that is a real concern for them.

Mr Harper: This is an important issue, and it came up in the Westminster Hall debate that Ms Pearce secured last week. I think it was from colleagues in Scotland, where there has been a particularly prominent case. As I said there, the way to solve that problem is to make sure that people with a longer prognosis do not have to wait a long time and to make sure that the experience of those people in the normal rules is that they are having a good experience and not having to wait excessive periods of time. I am not trying to hide from the fact that the current process or the waits that people will have had last year were unacceptable, but I do not think you want to set up another special process. You want to get the main process working properly.

Q37 Chair: As I say, we met people from the Motor Neurone Disease Association yesterday, and what they would like is some form of triaging—that certain conditions like motor neurone disease or Huntingdon's disease acted as a trigger to put them to the top of the pile. They would like some way of triaging them to make sure that they are not waiting four months for an assessment, because in that time they could have deteriorated very rapidly. One of the main things that they are concerned about is that, by the time people get assessed, get the money and everything, they are assessed for something that happened six months ago and their condition has progressed so much. It has to be something that you have to do, Minister.

Mr Harper: I recognise that. Regarding trying to triage cases by condition, if you are from an organisation that is concerned about a particular condition, I can see why that sounds very compelling. If you are sitting on this side of the table, the problem would be that each of those groups would make a case for the particular condition that they have an interest in. We get the same argument for people with various sorts of cancer. By the time you have finished, you cannot triage and accelerate everybody, because if you do that you are not speeding up the cases for anybody. The way you have to deal with it is, clearly, for someone who has a very short prognosis, which we have set at six months for the special rules for terminal illnesses, you do have to have a process that is different, because it is absolutely critical in those cases that you get that support to people very fast. In other cases, the way you have to deal with it is to get the main process working properly.

Q38 Chair: Can I ask about paper-based assessments? If someone has the letter that shows that they are clearly quite disabled now and it is their first application, it is likely to be done as paper-based. Will it still take that 16 weeks when it is paper-based?

Mr Harper: What I was going to say was for some conditions, of course, where the evidence that you can supply on paper is very clear, if you can make the decision on paper, that would be much quicker. One of the problems we had last year, which will have been true, is that because we had a backlog, because the providers did not have the capacity, they were not even looking. We were referring cases to them and there was a delay before they even looked at cases. Now that we have a position where they have the capacity, because they are looking at cases much more quickly, where they are making that decision about whether they can make a decision on the paper, on the evidence they have in front of them, or whether they need to call someone in for an assessment, that process now happens on a much more timely basis. In dealing with conditions where there is a clear diagnosis that has some inevitable consequences, if those decisions can be taken on paper, it is absolutely in our interest to do so. We do not want to call people in for unnecessary assessment, so the solution in many cases will be the decision can be taken on paper without having to call someone in for an assessment, and that will be much quicker. That was not working properly either because of the capacity problems with the assessment providers, and so I think that will get a lot better because of the capacity issue.

Chair: I appreciate that.

Q39 Glenda Jackson: We are still on the process essentially here. Last September, Mr Shanahan told us that the providers had realised that home visits were "half as

productive" as requiring claimants to attend assessment centres and this was part of a "voyage of discovery" that providers were on at that time to find the "ideal delivery model". Surely that is hard evidence that the PIP assessment should have been properly trialled before it was implemented. I go back to the point that I made: it is the process.

Mr Harper: Well—

Q40 Glenda Jackson: Forgive me for interrupting you, but you are on the brink of rolling out this whole process nationwide. If it is not working now, what is the future going to hold?

Mr Harper: I think it is working now.

Glenda Jackson: It clearly is not, Minister.

Mr Harper: It clearly was not, and I have been very clear about that. It was not working. You can see that from the data and our own experiences. Last summer, when this issue came to the fore in the exchanges in the Commons, you can see, in a way, the statistics demonstrate that the feedback that we will have been getting from our constituents was in line with that. That was the period in which this process simply was not working, and that was why the Secretary of State set out the ambition to fix it and get it working. As these things happen with the reshuffle, when the Prime Minister asked me to do this job, he said this was the top priority for me to sort out, and I have said that consistently since, and it has been and I think we have made considerable process.

Do we still need to keep improving the process? Yes, we do, and I am not resiling from the fact there have been a lot of issues. You will still have people for whom that is their experience, but people now applying for this benefit will see a really much improved process. Can we continue improving it? Yes, we can, and on the point that Noel made about how the providers were delivering this, they have made real progress here in terms of how they deliver it, how they deal with customers, and how they put capacity in place in the various locations they need to in terms of assessment centres and getting that balance between home visits. It is fair to say that one of the providers thought that more home visits, not just in those cases where people needed one, was a way of doing it, and I do not think that has proved to be as efficient a way of delivering it. Home visits are obviously still available for people whose disability or health condition necessitates it, but you do get a more efficient process if people come to an assessment centre and are seen like that. You use your skilled staff more efficiently.

Q41 Glenda Jackson: Minister, I have two cases in my constituency that arrived last week. There are no appointments available for claimants who live in north-west London within their own area. They are, in one instance, having to travel to Ilford; in another they are having to travel far down to the south of the Thames, so clearly there has been no improvement there. This is simply not acceptable to someone who has applied for PIP. Again, we were told last time that there had been no big shift in the balance between home visits and assessment centres. You are now saying to us that the situation there, I think I understood you correctly, has improved. I have direct evidence that it has not, so what is going to improve there?

Mr Harper: Atos, for example, have opened another 20 centres. They have a number scheduled. Last autumn, for example, they opened a further centre in Edinburgh, in Ms Gilmore's area. I think, Chair, they are scheduled to open another centre in Aberdeen and another one in Blackpool in the summer, and I see Mr Maynard is nodding at that, so they are putting that capacity in place. I have been frank with the Committee. Did that happen fast enough? No, it did not. It did not keep pace with the work coming in, which is why that backlog built up. Was that acceptable for customers? No, it was not, and I have been very clear about that. We have been pushing the providers; they have responded. They are putting that capacity in place so that your constituents and my constituents have a better experience and get appointments more quickly and have the sort of experience we would want them to have in the process.

Q42 Glenda Jackson: So, these new assessment centres are meeting a specific need in a specific area, are they? They are not part and parcel of the national roll-out. Will you have ensured that all these new assessment centres are accessible to everyone? That clearly was not the experience when this whole process was first introduced.

Mr Harper: The capacity has been put in place so that across the country you will have the right capacity in the right places. Providers will still look to provide home appointments for someone who simply is not able to attend an assessment centre because of the nature of their health condition or disability. We are making sure we put the capacity in place so that, when we start managed reassessment for that stock of DLA claimants, we have the capacity in place, and we will not switch that on and we will not roll that out where we do not have the capacity. We are not going to end up shooting ourselves in the foot by not learning the lessons that we have learned over the last year, six months. That capacity is going in place and will be in place so that we can make sure customers get a good experience. I want your constituents to have a good experience when they apply for PIP, so that they get a timely appointment, they can go to the assessment, they can have that assessment, the report goes back to the Department, they have a quick decision and they have that good experience. That is your ambition and that is my ambition that we share.

Q43 Glenda Jackson: My constituents' experience, or rather the experience of all PIP claimants at the moment in north-west London, is that they cannot be assessed within their own area. They are having to travel long distances at ridiculous hours of the day. That is not limited to north-west London or, indeed, London. How are you going to pick up that backlog in the process of rolling out additional assessment centres? Is there going to be money thrown at it or is money being taken away from the existing assessment areas to facilitate the opening of new assessment centres?

Mr Harper: The point you raise there is what a reasonable expectation should be for the travel distances to assessment centres. The Department said that no one should have to travel for more than 90 minutes on public transport to an assessment centre, and so that is obviously used for planning where you get assessments and where you have to locate assessment centres. It is getting that balance right between how much capacity you put in place, where you put it and how that relates to where the claims are coming in. That is what we set out as an expectation for claimants and that is what providers have to work

within. In many cases it is less, but that is the maximum expectation that someone would have to travel by public transport.

Q44 Glenda Jackson: That was set out at the beginning of the process—the 90 minutes on public transport.

Mr Harper: Yes.

Q45 Glenda Jackson: For many people on PIP travelling on public transport is virtually impossible. But I am talking about a situation now where, for the first time, in north-west London PIP claimants cannot be assessed within their own area. They are having to travel further, so what I am saying to you is it seems that the system, far from improving, is deteriorating.

Mr Harper: I suppose one of the arguments comes down to how far you think someone should have to travel.

Q46 Glenda Jackson: I certainly do not think someone who lives in Hampstead should have to go to Ilford in Essex when they are making the claim based on their physical or mental impairments and when they have no money.

Mr Harper: We have set out the expectations for travel that we think are reasonable. I should just say, by the way, that we set them out in terms of public transport; the vast majority of people come to assessments by car, but we have set that out. You can argue about whether you think that is reasonable. Clearly, you cannot deliver a system so that everybody can go to an assessment centre that is within five minutes of their house. That is taking it to extremes, so there is a balance.

Q47 Chair: Minister, just to move this along, perhaps you could look at the specific problems in north London and get back to Ms Jackson. That would be useful.

Mr Harper: Sure, okay.

Chair: Obviously, we are getting into specifics there.

Q48 Paul Maynard: I have just a very simple yes or no and then a medium-sized question. Can you confirm that individual Members of Parliament have made representations to the providers to open assessment centres in their local areas where there have been no assessment centres, such as in Blackpool? Yes or no.

Mr Harper: Yes, they have.

Q49 Paul Maynard: Thank you. The medium-sized question: when we cannot criticise performance, it seems to be a trait of Select Committees to go back to criticising policy intent, as seems to be occurring today. Can you remind the Committee, as it were, that

one of the key points of PIP is it is meant to assess individual functionality and not assess by medical condition? Would you have a concern, if we were to start triaging by condition, that would reintroduce medicalisation of the process when it should be about functionality? What perverse outcomes do you think would flow between conditions with a broad spectrum of severity—the simple diagnosis of, say, cerebral palsy has a multiple range of outcomes—and the very narrow range that might be, say, cystic fibrosis or motor neurone disease? Would there not be perverse consequences if we tried to triage again by the label around our neck?

Mr Harper: I answered that briefly in my response to the Chair. You are absolutely right that the whole point about PIP is it is supposed to be about looking at not what health condition or disability somebody has but the impact that has on their ability to be independent, as is suggested by the name of the benefit: Personal Independence Payment. It is to make sure we assess that on paper if you have sufficient information, but for a lot of people you have to have that assessment to just look at the impact of your ability to do things that enable you to live independently.

There are two problems with triaging based on condition. First of all, as you say, in that you have a particular condition, there will often be a broad range of the impact that that has on your life that you cannot get from the diagnosis. The other problem is that I see lots of requests from a range of organisations that want us to treat things based on condition. If you look at it narrowly, based on one condition, I can see that that makes a lot of sense. The problem is, if we did that, lots of organisations would say that, and you simply cannot do that. Where you have cases where perhaps there is a very narrow span of impact from the condition, those will be cases that will be able to be, in lots of cases, decided on the paperwork. If someone has a diagnosis of a particular condition and that has some very specific consequences for them and their ability to live independently, and it follows that that is true, those will be cases, not probably in every case but largely, where you can make decisions based on the paperwork without having to have somebody come in for an assessment. If we go back to saying it is based on condition, I do not think that is possible. Certainly with a lot of conditions like, for example, mental health problems, the range of the impact that a mental health problem will have, from a common mental health problem to a very severe one, is not possible to assess just from a straight diagnosis. You have to look at the impact it has on somebody, so you are right to draw that out for the Committee.

Q50 Glenda Jackson: Essentially, we have moved from centres to face-to-face assessments. Can you tell us what percentage of claimants have been required to attend a face-to-face assessment in the last period for which you have the figures? Does this percentage include special rules claims where no face-to-face assessment is required?

Mr Harper: I do not have in front of me the split between paper and face-to-face. I will write to the Committee with that information.

Glenda Jackson: Thank you.

Mr Harper: Just to be clear, we split that out so that we do not bias it by putting in the special rules, because as you correctly say, the vast majority of special rules cases do not have to have an assessment. We make that decision based on the diagnosis of their terminal illness. That is why we split those out, so that you do not artificially inflate the

figure for normal rules cases. I will get the paper-based assessment information for normal rules cases and I will set that out for the Committee in writing, Chair.

Q51 Chair: That would be useful, because the last time you said it was going to be in the official statistics the following week, in September, but it was not. If you could supply us with that, that would be useful.

Mr Harper: Okay.

Q52 Glenda Jackson: Will that also include a percentage just related to the normal rules, so that we will get the two, if you see what I mean?

Mr Harper: Yes, because if you stick the two together, the number would be artificially skewed by the special rules, so it will be for normal rules cases so that you can see—

Glenda Jackson: What the special rules are. Thank you

Chair: We have probably touched on most of the other questions to come, but my colleagues will probably home in on the bits we have not asked.

Q53 Nigel Mills: PIP was not the only issue in the summer. There was also the problem with delays for DLA for under-16s. Is that something you can update us on, as to whether those have been sorted out now?

Mr Harper: Yes, I can, and I know that the Permanent Secretary confirmed that there were some issues there. I am pleased to say that those issues have been resolved. I visited the centre in Birmingham where we run this operation a short while ago and spoke to the manager there, who took me through the process, so we have dealt with those.

In brief, for the Committee's benefit, there were some issues last summer, in July, with changes to how some of the processes worked in terms of the mail opening and scanning processes. That generated some difficulties with registering claims, which generated some backlogs. We have put in place some additional staff. We have improved the productivity of our people and improved some of the processes. We have got to the point now where we have made significant progress: the average clearance time will be back down to the target by the end of this month, so very shortly, and we want to make sure that sustained performance is reflected.

You were right to highlight that there was an issue. The issue was jumped on quickly and it has been resolved, so families with children claiming DLA should find that their experience now is the one we would expect them to have.

Just picking up the point about expectations that Mr Thornton raised earlier, the current target for DLA for children is 79% of cases cleared in 40 working days. I do not think that is a very helpful target because, as I said in my answer to the Chair, we normally set targets of something like 95% of cases in a certain period of time. That basically says that if your case is not particularly complex—it is not something out of the ordinary—you kind of know how long it is going to take. The problem with a target of 79% is there will be people applying who will think, "Am I in the fifth that is going to take longer?". One of

the things that Noel has tasked his people with working out is: if we want to give people a proper expectation, so anyone will know, if they have a reasonably straightforward case, how long they are going to wait, what is that number? We will be able to lay it out in terms of 95% of people can expect their decision in what period of time. We have an ambition to be able to set out a more ambitious and more meaningful target that we can then hit, because we are now hitting the current one, but I do not think it helps particularly when you are applying for a benefit if you only know that four-fifths of people get it in a particular period of time, because you do not know whether you are going to be in the four-fifths or the one-fifth that does not. I think that is in good shape. If you want more detail, Noel can set that out, but basically there was a problem and it is sorted, in short.

Q54 Nigel Mills: 40 working days is an eight-week target; 95% in 12 weeks would not be much progress, would it? I guess you do not want to be falling too far back from that.

Mr Harper: I am not going to make one up now, but, again, I agree with you. I want to challenge the Department to be ambitious in terms of what it can do to reflect that people have to wait a reasonable period of time, picking up the point Mr Thornton made. I want to be ambitious about that, but equally I want to set out targets that we can deliver for people. You are not doing people favours if you make them wait too long, but you also are not doing them any favours if you get ahead of yourself, so I want to keep that tension on the Department.

Q55 Nigel Mills: Okay, we get that, but these problems were not resourcing or greater numbers of applicants; these were just somehow forgetting to open the post or scan it or something.

Mr Harper: There were some process issues. One of the issues was around something that does not sound like it would be a problem: not having National Insurance numbers scanned in, and their cases not being linked up to records properly. It was a process issue; it was not a resourcing issue. It was just the process did not work properly, because we made some process changes to the IT system and that caused some unforeseen problems. If you are going to divide things up, it was a cock up rather than conspiracy sort of problem, and it has been fixed.

Q56 Nigel Mills: Without labouring it, how quickly was it spotted that the process was not working? Presumably, you would think, "We are quite a lot of numbers down on new claims this month; what is going on?" but it seemed to drag on.

Mr Harper: Certainly, once I was made aware of the problem, and from memory I was made aware of the problem in November, I think, I jumped on it very quickly and we made sure that it was dealt with. As I said, I visited the centre to talk to the person who runs it and to some of the staff about the process and how it was working and so forth, and satisfied myself that they had a grip, had dealt with it and were continuing to make improvements. We want to continue improving that process for parents who have disabled children.

Chair: I am hoping to wrap this bit up, because we also have ESA in five minutes, but perhaps Sheila and Debbie can work out the key bits that they want to take out of what they have left to ask.

Q57 Sheila Gilmore: We have covered quite a bit of ground. In relation to reassessed DLA claimants, obviously not many have been done so far. We discussed this a little bit earlier, but when do you anticipate the statistics on outcomes for new claims for those reassessed claimants? When do we expect to get those statistics?

Mr Harper: For natural reassessments, so those DLA cases that were time-limited, we have done some of those. That has not been rolled out across the whole of the country, although we are continuing to do that where we have capacity. The reason why I limited this publication to new claims was because that was clearly where the real problem was that had been raised with me, because these are obviously cases where people do not have money in payment.

Q58 Sheila Gilmore: When can we expect the further statistics to be published?

Mr Harper: In the statistics that we have already said that we are publishing in March, which will be clearance and outstanding times, I think I am right in saying those will have the—

Q59 Sheila Gilmore: Will they give us some statistics on outcomes—for example how many people have been given awards in the different categories?

Mr Harper: I will have to check what is included in those, so it probably makes sense, Chair, if I write to the Committee. We have already preannounced that we are going to publish those; let me see what I can share with the Committee in terms of the level of detail that will be in those publications, and I will write to the Chair.

Q60 Sheila Gilmore: I know that Debbie wants to ask about the mandatory reassessment, but can I ask a question that was asked at the Westminster Hall debate last week as well? The Government and the Opposition have all said that they want to devolve disability benefits to Scotland. That obviously will not take effect immediately. Many people feel it would be desirable not to roll out reassessment in Scotland at this stage to give the Scottish Government, Scottish Parliament an opportunity to decide whether they want to change the system or not. I do not know whether they want to or not, but would it not be sensible simply to agree that?

Mr Harper: No, I do not think so. You are quite right that commitments have been made about what is going to happen, and you saw last week, which was after the Westminster Hall debate but I slightly signposted it in the debate, the publication of the Government's Command Paper and some of the draft clauses. The fact is the law is as it is at the moment. UK Government policy is set out in law.

Q61 Sheila Gilmore: The timing of things is not in law—and the dates have already slipped. If you are serious about this, you could just say, "Okay, we have capacity problems anyway. We will not go ahead with this", which would enable voluntary organisations, the third sector and the Scottish Parliament to decide. They may decide that they do not want to change it all. I do not know what the outcome of that will be.

Mr Harper: At the moment, the legal position is as it is. The law has not yet been changed. Changing it could have a whole load of consequences. The baseline that was set out in the Smith report around funding was about fiscal neutrality. When the Scottish and UK Governments are assessing future expenditures in Scotland, the forecast expenditure will be based on PIP being rolled out. That is the established UK Government policy.

Sheila Gilmore: You just told us it was going to be flat anyway.

Mr Harper: Yes, we have set out the forecasts, but the forecasts are based on rolling out PIP. That is the baseline; that is what the law says at the moment. Otherwise, you are anticipating two things. First of all, this Parliament has to change the law to devolve the powers to Scotland, but also the Scottish Government has to decide what it wants to do. My understanding is—I may be being uncharitable—there has not been a great deal of thinking to date.

Sheila Gilmore: I know a lot of thinking has not happened yet. The point is that people want the space in which to have that. But I have heard your answer. I know Debbie has a question.

Q62 Debbie Abrahams: We have already talked a little bit in terms of the evaluation of PIP. I have to say I was slightly surprised by the response. Normal good-management practice would be to have an evaluation system that was designed as the policy was being developed. You have not had any form of evaluation. You have said the numbers are the reason why this has not happened. Putting that to one side, however, what are your plans for evaluation? Can you share with us what the design thinking is for such an evaluation and when it will happen?

Mr Harper: Now that we have a significant number of assessments and decisions made, clearly we will look at the award rates, which Ms Gilmore mentioned, and we keep under review whether, in practice, the policy is delivering the policy intent as it was designed. We do that; we keep that work under review.

In terms of what you are saying about whether there is a particular piece of work that is going to be undertaken and so forth, we are not doing a separate exercise to say, "Has it or has it not done certain things?". We keep the performance under review. In terms of producing the forecasts for the Office for Budget Responsibility, they wanted to know what we were expecting to happen. Those are built in to the forecasts that they have signed off. Some of that work is under way.

In order for me to give you a more helpful reply, could you be a little bit more specific about what you mean?

Q63 Debbie Abrahams: Sheila raised some very pertinent points. An evaluation does not only look at what the intended consequences were, but also at the unintended consequences. It is about this comparative work that Sheila was discussing. It would be very helpful if you were able to provide that, Minister.

Mr Harper: Let me wrap that into the answer, because I said I would set out for the Chair what would and would not be sensible in terms of comparators. Let me look and see what I can set out and I can write to the Committee on that basis.

Q64 Debbie Abrahams: Can I just move on to the migration from DLA to PIP and the managed reassessments? I understand from the debate last week that you gave an indication that the October 2015 timescale for that process to start has now slipped. Can you confirm what the new timetable might be?

Mr Harper: I do not think I said it had slipped. The point I was making was that it is not like we are switching it on in October and then we will do it everywhere all at the same time. The point I was trying to make was that we will do managed reassessment in a way that is commensurate with the capacity—in the same way we have with natural reassessment. What we are not going to do to people is say that we are going to reassess their DLA claim, start that process and then make sure they have to wait a long time for an assessment. Where we switch it on, in the same we have with natural reassessment, we will look at where we have the capacity, we will make sure we have the capacity in place and then we will do that process on a rolling basis.

The start will not change. The point I was making is that it is not a "big bang/all on day one" process. It is a rolling period.

Debbie Abrahams: The start will still be in October 2015.

Mr Harper: That is the expectation, yes.

Q65 Debbie Abrahams: Bearing in mind all the problems we have experienced with PIP and so on, how will you be ensuring that this is managed in an effective way?

Mr Harper: I will give you an example of what we do with the natural reassessment, because the process is similar. What officials do is look at where the DLA cases are and where the capacity is at a postcode level. They go through that information; they make recommendations to me about where we should switch it on; and I have to be satisfied that we have the capacity in place either now or it is going to be in place when the reassessment starts. If I am not satisfied, it does not happen. With some of the things that are recommended to me, I am quite robust in making sure we do not cause problems for our constituents. Some of those recommendations are not accepted, and we only switch it on where we are confident that we can deliver it. That is the process that we will undertake for managed reassessment.

You can rest assured—certainly it is true of the Department in terms of officials; it is certainly true in terms of Ministers—that we have learnt a lot about this process, and we are very clear we do not want to make mistakes in the future without having learned from the experience of the past year.

Q66 Debbie Abrahams: As we know, there will be winners and losers from the managed reassessment process. In terms of those who are going to have adverse decisions, you have given indications of how this might be handled sensitively. Can you elaborate in a bit more detail on what this will involve?

My second question—this is probably the biggest—is this: how many people are you anticipating will have an adverse decision in terms of their award being reduced? What assessment has been undertaken in terms of the impact of the proposed reduction in the benefit cap on those people who have a reduced award? Would they be affected, as currently DLA claimants are not affected by the benefit cap?

Mr Harper: Going through those, in terms of the expected change from somebody who is currently getting DLA to PIP and the changes we are expecting, we have published that information. It was in the impact assessment. I do not have it in front of me and I am not going to recall it from my brain, because I am sure if I do that it will be incorrect. I will write to the Committee and remind the Committee what we set out in the impact assessment, because we did publish that in the impact assessment.

Q67 Debbie Abrahams: There have been changes in terms of the number of people who have gone through PIP, as we have been discussing. If there are any changes to that, that would be very helpful as well.

Mr Harper: I will update the Committee. You will know from what we have set out, which has been a disappointment to people who gained in moving from DLA to PIP, that we did set out—because there will be people who have a lower award—that there is process where there is a period of run-on for a month, which gives people some time to adjust to that.

Separately, for those people who might currently be getting the higher rate of the mobility component, if they were not to get that under PIP, my understanding is that the Motability organisation, which of course is independent of Government, has put in place some processes to deal with people who would not be entitled to use the Motability scheme in terms of some lump-sum payments that would enable those people to retain having a car.

However, I will set that out as well in writing for the Committee, if I may.

Q68 Chair: Minister, I am going to be writing to you about a constituent's case, but could you also tell us, if someone is on DLA and wants to move to PIP voluntarily because they think they will qualify under the new assessment, whether they have to drop their DLA claim first? This is not any of the managed migration, but someone who voluntarily chooses to go to PIP. Do they have to drop their DLA claim in the meantime and then have that gap until they are treated as a new claim?

Mr Harper: It is probably better if I check, rather than—

Chair: You will get a letter from me.

Mr Harper: It will depend on whether they are in an area where the natural reassessment is in place and all sorts of things.

Chair: They are not, because it is Aberdeen.

Mr Harper: I had better check the specifics of the case.

Chair: I will be writing to you as a constituency MP.

Mr Harper: I will wait for the reply.

Chair: There are these sorts of issues and individuals.

Q69 Debbie Abrahams: The last bit of my question is in terms of what was announced yesterday about the proposed reduction. Will people who are reassessed as eligible for PIP with a reduced reward be affected by the proposed changes in the benefit?

Mr Harper: The announcement that the Prime Minister made yesterday was of course in his capacity as leader of the Conservative Party; it is not yet Government policy. That will obviously depend on the result of the election.

Debbie Abrahams: There must be an assessment in terms of how this will affect very vulnerable members of our society.

Mr Harper: It is not Government policy. Obviously, if it were to be adopted as Government policy, the usual processes would take place. That was an announcement he made in his capacity as leader of the party in terms of setting out our proposals for the election. The reason he made the proposal is that, in my constituency, I get all the time people who still think that the benefit cap is too high and that people who are out of work should not be able to get that level of income compared with those who are in work. I happen to think that change is welcome and will be welcomed by my constituents.

I have heard your point, but that was a position set out. It is not the current Government's policy.

Q70 Paul Maynard: A paragraph of the Gray review that caused me a degree of concern revolved around the review of awards. Obviously, a PIP claim can be time-limited to one year or whatever. At the end of that time, you are then reassessed. There have been examples of people who have gone through an appeals process who are then reissued with an assessment shortly after the appeal is successful. We now seem to have a new concept called "interventions", which I confess, in my ignorance, I was not really aware of. Can you explain to me what the policy intent was behind them, the circumstances in which they are used and, most importantly perhaps, the frequency with which they are used? It is an intriguing new development; let us put it that way.

Mr Harper: The point of this is to make sure that individuals' needs are reviewed at the appropriate time. As you said, there will be a time limit on PIP claims. By the way, the review might not always involve a face-to-face assessment; some of it might be on paper. At the moment, there have been very few of these. Ms Pearce mentioned this in her speech in the Westminster Hall debate last week.

Paul Maynard: I was here.

Mr Harper: There have been very few of them so far. One of the things that Paul Gray recommended in his report was that, in the medium term, we should ensure that the policy intent for reviewing awards is being met, that the guidance reflects it and that decision letters explain the rationale for the timings in individual cases.

By the way, he also said that we should not use the term "intervention", because it was not a very helpful term.

Paul Maynard: That is not what it means.

Mr Harper: He made a very sensible recommendation, and we are considering that at the moment. We will respond to his report and set out our thinking there. However, the main point is that it is about making sure that, rather than a benefit where you effectively award something to somebody forever and you do not make any review of that, it is a review to do two things. One is to make sure that, if someone's condition means they need more support, they get that support; the second is to make sure, if someone's condition has changed so they require less support, that you change the award accordingly. It can go in both directions, but there is some lack of clarity about how it will work.

The other thing we do not want to do, of course, is create unnecessary work in generating assessments and things where it is not necessary. He makes the sensible point that we need to think this through before the volume increases and causes any issues.

Q71 Paul Maynard: I am clearly being very dense because, as I understand it, an intervention is separate from a natural end-of-award reappraisal. I still do not understand what would trigger an intervention if, for example, someone had a three-year award.

Mr Harper: His point is that it is not clear at the moment, and he has recommended that we should look at our policy intent for reviewing people's awards, make sure it is clear, make sure the guidance is clear and make sure we explain to claimants who get awarded PIP when their award will be reviewed. He was agreeing with what you just said: he is saying that it is not clear at this point and we need to go away and make sure that, when someone gets a PIP award, it is very clear how long it lasts and what the review processes are. He has given us that task to go away with, and we will respond on that issue when we respond to his report.

Paul Maynard: I need to go away and work it out.

Chair: That probably means a room with a damp towel over your head.

Q72 Kwasi Kwarteng: You have said very openly that you set yourself a very ambitious target, in terms of when you started, to try to speed up the process. Of course, we have had this debate as to whether it is working or not, which seems quite binary. Clearly, your view is that the rate of progress or the direction is a good one—even if we will never reach the end point. This is where I want to ask my question, however: what more needs to

be done for you to be satisfied that you have accomplished the goals you have set yourself? How would you judge yourself at this moment in terms of your performance?

Mr Harper: There are two things: there are some numeric targets in terms of how long people take from when they make a claim to when they get a decision, and then there are the issues around the process, which Ms Jackson mentioned. Let me just take those two briefly.

The thing that was really causing a problem for people last year was the length of time it was taking, particularly to get an assessment. As I said, I think we have made considerable progress. I characterised it in that way because I am not trying to pretend that there are no individual problems and in absolutely every single case people's experiences are perfect.

However, if you look at last summer, both the numbers and the feedback MPs were clearly having at that point from their constituents told them that there was a real problem and people were having to wait way too long. We have made enormous progress since then, halving the times people are waiting. It is now much closer to where we would like it to be. I said in my answer to Mr Thornton that we want to go further. We will set out the exact numbers about the backend of the process—where we get the reports from the providers and make a decision—when we publish the statistics. Resisting the temptation to start using unverified management information, I set out enough to the Chair—it will be in days, not weeks—to indicate that the end-to-end process does not involve waiting for the assessment provider and then adding another similar length of time on for a decision. It is much tighter than that.

Can we go further? Yes, we can. The test for us is around what the right length of time is; how short can we make it that is commensurate with running an efficient system? There is a point at which, if the work in progress is too short, you end up with the opposite problem to the one we have had—which I guess from the point of view of claimants might seem like a good problem—which is that you end up with spare capacity in assessment providers. You end up with expensive people with not enough work to do, which is not good from the point of view of the taxpayer and the cost of delivering the system. At the moment, we are working out how short we can make the time but also deliver a very efficient system at a sensible cost to the taxpayer so that it is sustainable and people have confidence it will continue.

I would say that we have made considerable progress. We have hit the Secretary of State's ambition to get the process functioning now in the shape that is acceptable, but we still have more work to do. On process, Ms Jackson perhaps would state it in a way that I would not. We may disagree about where we think we are at, but we both have the ambition that we think we can make the process better. In Paul Gray's review, he got evidence from people who had gone through the process and he talked to providers. He set out a range of areas where we can improve the process in the short and medium term. We are working on some of those at the moment, and when we respond to his report in the not too distant future we will be able to set out what we are doing and where we think we can make the process better.

Q73 Chair: We need to move on. I have very quick questions on residential training colleges, and then we have some questions on ESA. What is the situation with residential training colleges? Obviously, there has been some question over their funding. Will there be funding arrangements in place from September this year? Are they going to get longer term contracts? Obviously, because of the fact that they did not know whether they were going to exist or not, the number of people who have registered has dropped over recent years as well. I know you have had discussions with them, so this is just to put on the record roughly where they are and what their future will be—in two minutes, if you can.

Mr Harper: In two minutes, residential training colleges offer some good provision for those people who go through the process. The problems are that the contracts cannot just keep being rolled forward and that we need a proper competitive process. The unit cost of what they offer is too high and, although they notionally cover the whole country, in practice they only really deliver support around each of the locations. What we want to try to do is make sure the good work they do is delivered to more people at a lower unit cost, and there is a commercial process kicking off.

My ambition, which I think is deliverable, is to make the decisions before the election. All the colleges have been really clear that they want us to make the decisions before the election, because they want some certainty for running their businesses.

Chair: Do you agree that they should survive?

Mr Harper: I agree. My job is not to protect individual institutions. My job is to make sure that disabled people get the absolute best support that they can get—at a sensible price for the taxpayer. In the process we are going to undertake, the weighting in terms of the decision-making for the contract is going to be heavily focused towards quality, not price. We are not going to buy any nonsense from people who do not do this work and who come along with a very good story but are not actually able to do it.

My sense would be that, if those existing institutions put in a good bid, they have a good record and they can show how they are going to be more cost-effective, there is no reason why they should not be successful. However, it is not the job of the Government to protect individual institutions; it is to make sure we get the best outcome.

Q74 Chair: In the Sayce review, there was some concern that they were all going to go and they were all going to close. You seem to be saying that the concept is the right one, but you need it at the right price, in the right place and delivering the right service.

Mr Harper: Yes. In terms of what they deliver, they do deliver. We have looked at what they deliver and they do deliver some valuable services. However, their unit costs are too high; they do not deliver it across the country; and there have been changes since they started, given that we now have the Work Programme, Work Choice and other things that did not exist.

The model has to change, but a lot of those institutions are doing good things and supporting people. What they are doing and the nature of what they are doing, however, has to change. That is why we have kicked off this process. We have engaged with them a lot. I have met with all of the college principals and we had a very positive meeting.

Chair: They said that. That is why I have given you the opportunity to respond.

Mr Harper: I hope I am not putting words in their mouths, but I think they feel that the way we have set up the process will enable them to have a fair crack of the whip in that bidding process to set out their stall and to have the opportunity to deliver those services. I think that would be a fair characterisation.

Chair: Thank you very much for that. We have some questions on the new WCA contract.

Q75 Graham Evans: What lessons have been learned from the Atos contract that was started under the previous Government? You have a stringent management regime to meet stringent quality standards. How will DWP's management of that differ from that of the Atos contract?

Mr Harper: We have learnt a lot. From my point of view, the most obvious thing is the sense that when you are contracting a really important part of your business—I am very clear the responsibility of making this happen is still mine as the Minister and the Department's—you cannot move that responsibility by contracting somebody; it is still ours. It is the full governance processes, the contract and the way we are going to manage it that will enable us to do that.

The most important thing is how we are going to manage it terms of the day-to-day operations. We will have a team of people who are embedded with the provider, who will know what is going on on a daily, weekly and monthly basis, and hold regular meetings to assess performance, and we will have a proper partnership around how you deal with the inevitable issues that arise when you are running a big, complicated business. So far, my sense is that the way we are working on the transition has demonstrated that process is working well.

Maximus bring experience of doing health assessments. They do health assessments in other countries for other customers, and we took up some of those references, if you like, before we awarded the contract. They do know what they are doing. Atos, Maximus and the Department have worked together as a tripartite organisation during this transitional process in a very open way, which gives me some confidence that the process will work well. It does show that we have learnt from the past.

Q76 Graham Evans: Having learnt from the past, have you increased the in-house contract management expertise? Have you brought in any new expertise for this contract in recent times?

Mr Harper: We do have people in the Department who know what they are doing in this space and who are more closely aligned with the customer. We are much more all over what is going on, both in terms of the detail and the frequency with which we engage with them.

That engagement with Maximus is starting at the beginning of the process. There is much more of a sense that it is a partnership. We need them to be successful; we need to be successful as well. You cannot shift the responsibility somehow by having a contract. I

am very clear: I am responsible to Parliament for making this work, and I depend on our contractor to do that. I will take a very close interest, as will the Department, in managing this process on a day-to-day basis.

Q77 Graham Evans: I know a lot of colleagues on the Committee talk about process, but for me it is not so much about the quantity; it is the quality. At the end of the day, however, it is about making sure we reach the right outcomes. What is Maximus' payment agreement with you? Is it on a per-assessment basis? Obviously, we want the quality to be in there as well as the quantity that we all want to do. Will Maximus earn bonuses based on reaching targets?

Mr Harper: I am sure that no one has bothered to look at it. We have published the contract on Contracts Finder. There are some redactions, but it is largely out there for people to look at. I am sure no one has waded their way through it, but the way it works is that it is a very different contract. It is a target cost incentive fee payment mechanism, which basically means that we have agreed cost projections with them, but we also have full open-book access to their general ledger remotely. We know how much they have spent on the contract to deliver the contracted number of assessments, and there is a pain-gain share process if they do not hit their targets.

We have award fees where they hit their volume targets and their quality targets—you cannot just ram through lots of assessments if you are not delivering on quality—and there are service credits where the quality and volume standards are not met. The Department liability is capped, should their costs overrun. It is a different model and it depends on much more transparency with how they are performing and that we have access to their financial information on a transparent basis. That will lead us to a much more successful outcome, working together to deliver this important service.

Graham Evans: What did you say it was called?

Mr Harper: It is a target cost incentive fee payment mechanism.

Chair: That is probably why we have not read it.

Mr Harper: That is why I had to read it out of my folder. Basically, in English, it means that when we awarded the contract we agreed cost projections with them, but we get access to their systems to make sure we know what is going on. If they exceed what it is they have said they are going to hit, there is a cap on what we pay and you share the pain-gain of that process. If they deliver more cost-effectively, we get some of the reward for taxpayers; if it costs more, we end up paying some of it. But it is capped, and they share some of that pain as well. Have I accurately set that out?

Justin Russell: That is correct. They have given us estimated costs for the lifetime of the contract plus a target fee. If they run over in terms of the actual costs incurred, we split the pain of that with them. If they manage to make savings, we split the gain from that. They have to pay all of the costs if it runs over 125% of the estimated cost.

Q78 Graham Evans: In terms of the Atos staff who are being TUPEd over to Maximus, how many staff does this involve? How many are healthcare professionals, given that Atos sometimes struggled to recruit healthcare professionals, certainly in London and the South East?

Mr Harper: I will write to the Committee with the exact numbers. What I can say is that we are ahead of where we thought we were going to be. Atos have retained more healthcare professionals than we had thought they would, so they are handing the operation over in better shape than we had assumed they would. One of the really important things about delivering this is the people.

I met with the staff representatives, who staff have elected to engage in this transition, a couple of weeks ago. I have to say they were incredibly positive about this process. You do not have to take my word for it: Prospect, one of the trade unions involved in this process, has said that there has been a good transition and there has been a significant level of communication by both Atos and Maximus. They think that both companies have been very supportive of the staff through the period and acted really professionally and engaged well with trade unions.

Actually, despite the fact that I wanted to talk to them about the transition, the staff did not want to spend very much time talking about the process of transition, because they think it has been well communicated and they know what is going on. They were fizzing with ideas about how, once the transition has happened, Maximus can deliver some of the improvements to the process.

I do not want to overstate it, but I think more of the staff will be moving over to Atos than we thought. That makes the process smoother, and they think the process has worked really well. That gets us off to a very good start.

Q79 Graham Evans: That sounds reassuring. Will the required number of healthcare professionals be in place by 1 March?

Mr Harper: Maximus will inherit more than the number of staff we had expected, but they are also expecting to hire a significant number of new healthcare professionals in their first year of operation. They have already started that work. They started that work once we had signed the contract.

Again, they are ahead of that hiring profile. They have already hired the staff they were expecting to start in February and March. They are already through filling up their training programme into April. They have had good responses to their advertisements, they have had good responses through the interview process, and they have had good responses when they have offered roles to people. So far, the people side is encouraging.

Graham Evans: For me, that is key.

Mr Harper: Obviously, you need the estate and so forth, but it is the people who make the biggest difference to the quality of the assessment and the experience of customers.

Interestingly, I did not just meet healthcare professionals. I met representatives of the different types of healthcare professional, but I also met the important administrative teams that deal with the issues that Ms Jackson mentioned around appointments, the

experience someone has when they arrive at an assessment centre and so forth. All of those groups of staff are really engaged in this process, which is good.

Q80 Graham Evans: Just quickly, when you say that the estate will be provided by the DWP, what do you mean? Is it the existing estate? Are the arrangements very similar to those the Department had with Atos?

Mr Harper: Yes, most of the estate is owned by the Department, but some of the estate was owned by Atos. Obviously, there is a process of moving those leases to the Department. There is a process under way, as I said, with the Department, Atos and Maximus to get all of this to work very smoothly. There are regular meetings every week that Justin leads. I have been to one of those meetings to see for myself how the group has interacted. I have to say I was impressed by the grip that Maximus had on the business and the very open way that Atos have been working with us and Maximus to make this work.

Clearly, Maximus want this to work and the Department wants it to work. To be fair to Atos, however, since we made the agreement with them last year for them to exit from the contract, they have delivered on what they said they were going to do and what we agreed with them, and they have behaved in a very professional way in terms of making sure we can transition this to a new supplier.

There has been quite a lot of partnership working in that process. So far, so good. In a big contract like this, there are obviously going to be some teething problems and some hiccups, but the test is this: are the contractor and the Department going to work together so that any of those inevitable teething problems are properly gripped and sorted out? Those relationships are in good shape. Would that be fair?

Justin Russell: Yes.

Mr Harper: Yes.

Q81 Teresa Pearce: I am very happy to hear that Atos are behaving well in this process and I am also happy to hear that the TUPE process is going well. There is something I would like to raise with you. Last summer, when Atos came to us, they said that one of the reasons for exiting the contract was the behaviour of claimants. They made an accusation saying that some claimants had come to the process armed with knives and threatened receptionists. They could not back up any of those claims, and the DWP did not have any evidence of those claims. Doesn't the fact that all the staff are happy to be TUPEd from Atos to a new provider to provide this same but changed service also throw doubt on that accusation that claimants were violent?

Mr Harper: I genuinely have not heard that evidence before.

Teresa Pearce: It was in June last year.

Mr Harper: Now that you have told me that, I will get my officials to go and pull it out for me, but I have to say I did not know they had said that.

Teresa Pearce: It was in—

Mr Harper: No, I am not challenging you. I am just saying that I simply was not aware of it; that is all.

Teresa Pearce: As a Committee, we found that hard to swallow. They could not back it up with anything, but they said one of the main reasons they were exiting was because they needed to protect the staff, yet the fact is they are happy to carry on. I am glad they are carrying on.

Mr Harper: What I thought was very encouraging when I met the staff representatives was first of all that we did not spend very much time talking about the transition. I had to force them to talk to me about it, because they did not really have any issues about the transition process.

Also, whether it was doctors or other healthcare professionals or, indeed, those who do the administrative work, the staff were really focused on wanting to do a good job for the claimants who come through the door for an assessment. They had lots of ideas about all of the different bits of the process. Part of Maximus' bid is about improving that. Picking up the points Ms Jackson made in the PIP space, it is not just about the numbers and the volumes and how long people wait; it is also about the experience.

I know Maximus have made some appointments about looking at the experience of the customers. They made a slightly controversial appointment in making Sue Marsh the head of customer experience in order to look at that. However, they are working closely with a lot of disability organisations to look at it from the customer's end of the experience to try to improve it. They have been very open.

There was a letter in *The Guardian* this morning from Phil Friend from Disability Rights UK, explaining why they wanted to work with Maximus and other organisations to try to get the customer experience to be good. The way they are approaching this bodes well.

I was impressed by the staff that I met, who were really keen to get a really good level of service for customers. They were very positive. The trade unions supported that in terms of the way the process has been handled. I thought I would bring that because I thought some people might find that slightly more convincing than me just telling you that it was very good.

Q82 Sheila Gilmore: One of the ways of judging whether the initial processes are working is the level of overturn at appeal and reconsideration. The reconsideration statistics you published just before Christmas still do not separate out the initial decisions from those that have been overturned, which was the point that had been raised by the Office for National Statistics, before it had been raised by some of the independent reviewers. You still have not been able to do that. Why not?

Mr Harper: On the point about the mandatory reconsideration statistics, part of the point of publishing those was that people had been implying that we had invented this process so that we could sit on all these cases for ages and ages and not have decisions made and stop people going to appeal. What those mandatory reconsideration statistics showed for Employment and Support Allowance was that the average time it takes to do a mandatory

reconsideration decision is 13 days and we clear three-quarters of them in a month. The ones that take longer are obviously the more complex ones. It just showed people that this is not a mechanism for stopping decisions being made.

I wanted to make that point, because people do allege that it was just a mechanism for stopping appeals happening, and that is not true. We make those MR decisions quite quickly. Those mandatory reconsideration statistics will become part of the normal statistics that get published in due course for each of the benefits.

Sheila Gilmore: Will that include whether the decision was overturned or not? The statistics you published were about timing, I think.

Mr Harper: Yes they were, because—

Sheila Gilmore: That was not the only issue; it certainly was not the issue I had raised. The issue I raised in the earlier debates was about what the outcomes were and how you then judge the individuals.

Mr Harper: Where we want to get to is mandatory reconsideration for each of the benefits it applies to. The statistics for MR will be published with the statistics for those benefits. The reason for the ad hoc publication on mandatory reconsideration was to deal with the issue that lots of people had either said explicitly or implied that somehow we had invented a process that you had to go through before you could appeal and it was taking an extraordinary length of time. The evidence shows that that is simply not the case. The average time to clear one of those is 13 days and three-quarters are done in 30 days. As I said, you would expect the others to take longer, because they are more complicated and we want to make the right decision. So, it dealt with that.

I take your point that it did not deal with the success rates. My understanding is—I will confirm or unconfirm it to the Committee in writing—that when we start publishing mandatory reconsideration statistics as part of the normal process, we will have timings in there, but we will also have the outcomes of them, which is your question.

Let me just confirm that and I will see if I can add anything on the timing of those becoming part of the normal statistical publication for the benefit of the Committee.

Q83 Sheila Gilmore: Some people have raised the concern with me, and perhaps with others, that Dr Bill Gunnyeon—who was in the employment of the DWP, adhering presumably with the contracting process until he left in August—has already taken up a job at Maximus. Do you have any concerns at all about that?

Mr Harper: My understanding is that Bill Gunnyeon is working for Maximus as a consultant on a part-time basis. He is subject to restrictions under the Civil Service Code, which means he is not allowed to work on any contracts that he previously worked on in the DWP for at least a six-month period. That would apply for the fit-for-work contract that Maximus have and the contract for the WCA.

They have confirmed that, in accordance with the provisions of the Civil Service Code, he does not work on either of those contracts for them, and he was also not involved in the

decision-making process for the award of the contract to Maximus for the health assessments.

Q84 Sheila Gilmore: How many extra people are being recruited with mental health expertise? This has been an issue throughout—it was felt that people did not have enough expertise when they were carrying out WCAs. Have additional numbers been recruited and, if so, what is the new total?

Mr Harper: One of the things that Maximus is very keen to do is to make sure they have the expertise in their business for mental health—and not just for mental health but for other areas as well. The way you have characterised it is that you would not hire specific assessors to do mental health assessments, because people's conditions are more complex than that. 46% of people on ESA have a mental health condition as their primary condition, but 60% of people have mental health as a part of their condition. You cannot just assess someone and say, "You have a mental health problem; I will get somebody who is an expert on mental health", first because it is the impact on their life and their ability to work that you are assessing, but also because people do not just fit into those neat boxes.

Someone with a mental health problem may also have a physical disability or health condition. The two things may be connected. They may have had a physical condition that meant they could not work, which meant that they then had a mental health problem. It is not that straightforward. What Maximus is looking to do is make sure that it has expertise in its business—in terms of people in the business who are experts on mental health—to make sure that the level of expertise in all of its healthcare professionals is such that they can assess mental health and other health conditions properly.

Justin Russell: From the conversations I have had with Maximus, they have been very keen to expand the number of mental health champions they have. They also want to look at having functional champions in areas like learning disability and maybe some other medical conditions.

Q85 Sheila Gilmore: Will we get information about that? We were promised mental health champions before.

Justin Russell: There is also a requirement in the contract that they have to do a training-needs assessment and produce a training plan by the summer, so we will be making sure they cover mental health in that.

Q86 Sheila Gilmore: Many of the groups working with people with fluctuating conditions and, particularly, progressive conditions are still concerned about this whole issue of people who are given a prognosis of being unlikely to be able to work in the quite long term being placed in the Work-related Activity Group. This is an issue that is no light matter. There is a financial difference between being in the two groups; there is a difference in expectation, which could lead to people being sanctioned if they do not take part in certain activities; and, thirdly, there is the whole question of losing your contributory ESA after 12

months and, therefore, maybe being off ESA completely if you have a partner, for example. This is quite a major issue. These particular groups feel that people who are given an assessment of being unlikely to return to work for some considerable time—and with progressive diseases perhaps never, in fact—are still being placed in this group. Is this something you are going to be addressing with the new provider?

Mr Harper: To some extent, it comes back in a way to what Mr Maynard said in his question on PIP. It is about the extent to which you just assume the diagnosis of a condition has some consequences.

Q87 Sheila Gilmore: Right back in the Bill Committee, when we discussed the whole question of time-limiting ESA, for example, one of the things that was said was that you could have a time limit on this because the expectation was that the majority of people would be able to return to work during that period. If someone has been given that prognosis and the prognosis is written down as "unlikely to be returning to work", why are they in this group?

Mr Harper: You mentioned two things there. There is a difference here. If someone has a condition that is unlikely to improve, that is not the same as whether or not they are likely to be able to work.

Chair: To be clear, the prognosis Sheila was talking about is a prognosis used by the assessor, not by the medical—

Mr Harper: I am clear about that. Ms Gilmore mentioned two things: she said "unlikely to recover" but also "unlikely to return to work". The reason I was making the distinction was—this came out in Paul Litchfield's report—that, in the same way that there are some groups representing people with particular conditions that say that should be an automatic trigger for PIP, there are also people who say, "If you have a diagnosis for a progressive condition and you are currently not able to work, we should assume that you are never going to be able to work, so we should put you in the Support Group".

It does raise some interesting questions, because, if you accept that premise, it has a rather unfortunate consequence, which is that, if people get diagnosed with particular conditions that are progressive, what you do not want to do is assume that it is automatic that the diagnosis means that you cannot work, your employer gets rid of you and you have an expectation that you are never going to work again.

Q88 Sheila Gilmore: Yes, but these people are claiming this benefit because in fact they have lost their employment. That is the point; this is not PIP. They would not be claiming this otherwise. If somebody is in that position, they have already—probably because they have been through a medical examination or whatever it is at work—been paid off because of their medical condition. The point I was really making, however, was that people have had the prognosis as part of their assessment that they will be unlikely to be able to return to work in the longer term. It is often people in the categories I have mentioned, but it is not because of their illness; it is because of the prognosis. With that prognosis, people have still been placed in the Work-related Activity Group.

Mr Harper: I will go away and have a look at the point you make about this. Clearly, the Work-related Activity Group is where we are saying that someone is not fit for work today, but we think they should be doing some work-related activity. Clearly, there is an argument here. If you assume that someone is never going to go back to work, you would normally have put them in the Support Group. Let me take that away, rather than give you a glib answer now. Let me go and take that away.

Chair: You might get the opportunity next Thursday in the Westminster Hall debate to answer that.

Mr Harper: Let me take that away, and perhaps, if Ms Gilmore is there, she can ask me that question next Thursday and I will see whether I can give her a fuller answer. If she does not, it sounds like you will, Chair.

Chair: If Sheila doesn't, I will.

Q89 Nigel Mills: What is the backlog now?

Mr Harper: On the WCA?

Chair: Yes.

Nigel Mills: Yes.

Mr Harper: Last February, it peaked at 766,000 cases outstanding. At the end of December, it was down to 527,000. Around 250,000 has been cleared through the period; it is down by 30%

Q90 Nigel Mills: Given that Maximus have contracted for 1 million assessments in the first year, is that backlog going to be wiped out this year or will it be dragging on?

Mr Harper: There was a slight difference. Our view and Maximus' view is it will take between 12 and 18 months to clear the backlog. As you would probably expect, the OBR was a little more cautious and said it would take two years to do that. The OBR forecast of ESA spending assumed two years to clear the backlog. Both Maximus and the Department think it will be a little less than that. You can work out where your confidence level is between us in the Department and Maximus versus the OBR. The OBR took the more cautious view of two years.

Q91 Nigel Mills: What is the target for Maximus to complete an assessment?

Mr Harper: Do you mean in terms of how long people should wait for one?

Nigel Mills: Yes.

Justin Russell: It is just a volume target on the numbers that they do. There is no end-to-end time target.

Nigel Mills: There is no 16-week target like there is for PIP.

Justin Russell: No. In terms of the DWP parts of this process, I have to say that there has been really significant progress. Nearly 90% of all claims are dealt with in 10 days now before they are passed on to Atos. When they come back from Atos, we are dealing with most of them in an average of five days. That bit has really sped up.

Mr Harper: We want to deliver good customer service. It is different in this case from the customer's perspective, because of course they are getting ESA at the assessment rate whilst they are waiting for the assessment. It does not have the same issue, but we want to make sure we get those assessments done for two reasons: one, because we want people who would be in the Work-related Activity Group or the Support Group to get the support they get without having to have it backdated; and, two, because I want those people who are fit for work to be engaging with the labour market.

It does not do them any good, if you are going to be found fit for work, to be out of the labour market for a long time while you are waiting for your WCA. It is in your and everybody else's interest for a swift decision so that you can be engaged with Jobcentre Plus. Given that there are 700,000 vacancies and there are lots of opportunities for people, we want you to be getting the help and the support to get you in the workplace. We want to make that process as swift as we can.

Q92 Nigel Mills: What are the plans for reassessments of ESA and IB? Are they going to be restarted or stepped up?

Mr Harper: For the IB reassessments, the bulk of them are done. 1.3 million of them are done, and we are still doing some each month. We are still doing some re-referrals of ESA cases where people are requesting those. In both cases there are around 6,000 to 6,500 a month. Where circumstances have changed, they can be reassessed. Clearly, as Maximus grows its capacity and we are comfortable with all the new claims, we can obviously get those re-referrals done over that period. Again, we will be very sensible about how we do that. What we do not want to do is say to a customer, "We are going to refer you for an assessment", and then have them wait an inordinate amount of time for it. It is about making sure we do that—commensurate with Maximus' growth of their capacity. As I said, they have already started hiring and putting in place the training plans for the new capacity of the people they are hiring. They have already started that work, and that work has started off in a good way.

Q93 Paul Maynard: Very quickly, or I can try to make them quick, regarding the Litchfield review, I am sure your answer will be that you are looking at it and will respond in due course, but there are two areas of sufficient concern that I want them placed on the record in the Committee today. One is the substantial increase in numbers being placed in the Support Group—partly, it appears, being driven by the number of young people being placed through regulation 35(2)(b) being "under severe mental and physical risk". Most frightening of all of this is that 34% of those individuals are being placed there without having had a face-to-face assessment. Are you looking into this? Do you have any preliminary views on what might be driving it? Is the 50% in the Support Group what you would expect? Are you surprised by that figure?

Mr Harper: I have three things to say. The first thing is, yes, generally, for Litchfield I have made it clear that the Government will respond to the Litchfield report this Parliament—i.e. before the House is dissolved—so we will deal with all of those issues then.

Your specific point is one I commented on at the meeting when Paul Litchfield presented his report. I was concerned by that figure as well, because, apart from anything else, I do not think putting an 18- to 24-year-old in the Support Group with a mental health problem and leaving them there is doing them any favours. If they really do have a serious mental health problem, we should ensure they get some treatment and support for it and a plan to deal with it and get them back into the workplace.

I have commissioned some work and officials are looking at those statistics. They are looking at the process, and we will be able to respond to that. However, I was concerned by that myself and that work is ongoing. I do not have any preliminary information I can share with the Committee, but we will do so when we respond to the Litchfield report.

Q94 Paul Maynard: Finally, you will be pleased to hear, equally concerning is the situation in prisons, with prisoners and ESA, that Dr Litchfield drew attention to. Can you comment on why there might be different rules for PIP eligibility when in prison and ESA eligibility? Why may prisoners not apply for ESA pre-release? Also, importantly, the fact that there have been changes in how primary care is delivered in the prison service has resulted in delays in the transferring of medical information. Have you taken similar steps with regard to ESA for prisoners in terms of doing some preliminary work before you respond to Litchfield?

Mr Harper: Again, I do not have anything to add at this stage. However, that is one of the areas we are looking at. It is fair to say that, in the past, the process for somebody who came out of prison—and their ability to get proper services so that we minimise their chance of returning to prison and maximise their chance of being successful—was not brilliant.

I remember when I was Shadow Minister working with Turning Point and talking to them about how they engage with prisoners. I remember asking them about whether they were able to do that pre-release or post-release, and they said that pre-release was tough. The issue that Litchfield has flagged up is an important one. Particularly with the changes in rehabilitation that are being delivered starting next month by the Ministry of Justice, we would want to make sure that somebody who is in prison's chances of getting back into work, not reoffending again and being a contributor to society are maximised. I want to make sure that all the bits of that are properly joined up.

This was a good issue for Litchfield to raise, and we will respond to that. However, as I say, I do not have anything, I am afraid, Mr Maynard, to add before the Committee today.

Chair: Thank you very much, Minister. There is the Westminster Hall debate next Thursday afternoon.

Mr Harper: I am looking forward to it.

Chair: It is just an hour and a half; we could go on for a lot longer—and we could have gone on for a lot longer this morning, but our time is limited. Thank you very much, Minister, for coming along this morning.

Mr Harper: Thank you, Chair.

Chair: We really appreciate it.