

Work and Pensions Committee

Oral evidence: Disability Employment Gap, HC 56

Monday 28 November 2016

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[Watch the meeting](#)

Members present: Frank Field (Chair); Heidi Allen; Mhairi Black; James Cartlidge; Neil Coyle; Richard Graham; Luke Hall; Steve McCabe; Craig Mackinlay.

Questions 107-204

Witnesses

I: Penny Mordaunt MP, Minister of State for Disabled People, Health and Work, Department for Work and Pensions, Tracey Waltho, Director, Work and Health Unit and Office for Disability Issues, Department for Work and Pensions, and Alex Skinner, Director, Disability Employment and Support Directorate, Department for Work and Pensions.

Written evidence from witnesses:

- [Department for Work and Pensions](#)



Examination of witnesses

Witnesses: Penny Mordaunt MP, Tracey Waltho and Alex Skinner.

Q107 **Chair:** Penny, welcome. Might we ask you to identify yourself for the sake of the record, and we will get your two colleagues to do likewise?

Penny Mordaunt: I am Penny Mordaunt, Minister of State for Disabled People, Health and Work. I was appointed in July. In addition to the issues in the Green Paper that have focused on closing the disability employment gap, I deal with another raft of measures, including increasing accessibility, better enforcement of the Equalities Act, a raft of stuff to support children and young people, and a number of initiatives around job creation and support for entrepreneurs.

Tracey Waltho: I am Tracey Waltho. I am the Director of the Department of Health and Department for Work and Pensions Work and Health Unit, and I also sponsor the Office for Disability Issues in the Department for Work and Pensions.

Alex Skinner: My name is Alex Skinner, and I am the Director of the Disability Employment and Support Directorate in DWP.

Q108 **Neil Coyle:** I may not have said this on 1 May last year, but the Conservative manifesto included a very welcome commitment to halving the disability employment gap. That has been changed in the publication of this Green Paper, in that it is now part of a 10-year vision for reform. What do you hope to have achieved at the end of the 10-year period, and have you abandoned the target of halving the disability employment gap?

Penny Mordaunt: The halving the gap target was something that came from the lobby that was adopted by the party and placed into the manifesto. It did not have a specific time commitment at the end of it, but we very much hope to make a substantial dent and progress towards halving the gap. I shall not repeat the evidence sessions you have already had about the complexities of measuring the gap. I took an early decision when I came in that over time, when we have better reporting, when people feel able to identify themselves as having a disability and there is more consistency in reporting, we will be able to develop some more meaningful measurements over and above the Labour Force Survey.

The approach I am taking—and I am obviously interested to see what comes out of the Green Paper consultation—is that the key to this, to holding me to account as a Minister but also ensuring that we get traction and focus at a local level, is to focus on the unmet need. It is to focus on the numbers of people who have a learning disability coming out of education and who need to go into a work setting, to focus on the number of people who have a mental health condition and cannot currently access mental health services. It is those tangible facts about



the unmet need that we need to focus on. That is what will also enable us to lever in and understand what third parties are doing.

For example, I had a meeting with an organisation today that has very clear targets about the numbers of people that it is particularly concerned with, and it is bringing forward initiatives to help them get into work. At the end of the Green Paper process, my hope is that we will have a very clear understanding about the things that we need to do to halve the gap, and the particular client groups, for want of a better word, that we are focused on. We also want that tangibility at a local level, so that people in a constituency situation, for example, know exactly what needs to happen for us to close that gap.

Q109 Neil Coyle: Obviously the manifesto was for a five-year Parliament—although there are rumours of an early election—so there was an expectation that this was a target for five years. The Green Paper is now suggesting 10 years. Is it the expectation that within 10 years the disability employment gap would have been halved?

Penny Mordaunt: To address your first point, I know a couple of MPs have suggested that it was a 2020 target. It was clearly not a 2020 target. There are many other factors that will mean we will contribute to the gap closing. Clearly some of them might not be positive factors. I think we have to have other targets and measurements to understand if we are making progress and Government are doing the things they need to do for those particular individuals, whatever their circumstances, other than the top line on the gap.

We have a 10-year strategy. What we need to focus on is the actions that we need to take and the benefits to individuals and those numbers, as opposed to something that I think over time will be able to develop into a more meaningful measurement. At the moment, with inconsistency in reporting, we are not going to get any more beneficial measures from that.

Q110 Neil Coyle: If one of the concerns is that the measurements that currently exist are not good enough, how will the Department oversee new commissioning of whatever replaces the Work programme and whatever might be localised, which you touched on? How will the Department oversee that, if there are not targets built into those, whether it is for a specific impairment group or other client group, as you call them?

Penny Mordaunt: That is what we should be doing, as opposed to some measurement, a complex formula, on the employment gap. It is possible to close the employment gap by doing negative things, by increasing unemployment. By itself, that is not helpful, and what we need to be doing is focusing on exactly what you mentioned. I have mentioned the drop-in a week today for Members of Parliament a couple of times on the Floor of the House. We will be giving you numbers about your own constituency, about the individuals in it and what their needs are. This is



at a national level but also at a local level, and it is a challenge for the LEP and for all of the partners in the local area. If you have a very clear number of, to use the example, people with learning disabilities in your patch who want and would benefit from a work placement or meaningful activity that focuses minds, that is what we should be looking at. It is that tangible vision.

Q111 Neil Coyle: Do you think by the end of the Green Paper consultation you will have a better idea, and the Department will be publishing those constituency-by-constituency or local authority-by-local authority kinds of statistics?

Penny Mordaunt: We will be doing some of that next week, because I want Members of Parliament and other local stakeholders to be very focused on this. Over time, particularly coming out of the Green Paper consultation and the meetings that I and my officials are having, we will also build up a good understanding at a national and local level about initiatives that other partner organisations are doing. We do have to do this in absolute conjunction with our other partners to create a sort of Jupiter sling effect and really maximise what everyone is doing. I think that has to—

Q112 Chair: We are all wondering what a Jupiter sling is.

Neil Coyle: I know what it is. Speak for yourself, Chair.

Chair: What is it?

Penny Mordaunt: It is using the gravitational pull of Jupiter to ensure that you are reaching your destination; you are basically getting everyone to pull in the same direction.

Q113 Neil Coyle: The Jupiter sling here would be working in conjunction with local authorities or LEPs; is that what you are saying?

Penny Mordaunt: Many sector organisations will be bringing forward their own initiatives, too.

Q114 Neil Coyle: So there will be much greater expectation that third-sector organisations will be able to bid for direct contracts to deliver some of the support?

Penny Mordaunt: There are all sorts of opportunities for the third sector. There is the traditional route of them being providers. I have made it very clear that I would also like smaller third-sector groups that would not perhaps be players at that level, for our Jobcentres, through the Flexible Support Fund, to be able to commission very small packages of engagement—confidence building, smaller pieces of work that are not necessarily those larger packages.

I think there are other opportunities for the third sector, which we do need to ensure is able to generate an income to sustain its activity through all sorts of things, an example being Disability Confident and a



HOUSE OF COMMONS

one-stop shop for employers that is mentioned in the Green Paper. We can bring everything together and provide that general support, but from that you can have specialist services in autism or other conditions, which is what employers need. Very much part of my focus has been identifying those opportunities for the third sector, and talking to them, through the consultation process, about providing it.

Q115 Neil Coyle: That sounds really relevant, and it sounds like you are committed to tackling specific barriers around the Work programme, and this is what the measures and processes are, going forward. How much of the budget, how much of the resource do you see being shifted, be it through an LEP or a Jobcentre Plus commissioning a very small programme in a particular local area? Where do you see this shift? There was a cynicism about localism without the resources to deliver, so what share of the budget will be shifted?

Penny Mordaunt: It is not just about DWP money. We have been having—and again it is not strictly on the turf of the Green Paper—discussions with the Department for Business, Innovation and Skills and other Departments about making sure this is on their radar. We are looking at what we can package up that it is doing that will help with job creation, with creating opportunities for perhaps either start-ups or business expansion that would create jobs for people who needed particular flexibility built into a job, enabling them to do particular tasks that they are able to do.

It is not just about DWP money. I have spent a lot of time on internal comms with our Jobcentre Plus staff to try to get them to recognise and push further on the third sector in their local areas. I think we do a huge amount already in that, but some of the smaller organisations—the patient groups and the peer support groups that currently do not have the capacity to have permanent engagement with their local Jobcentre Plus office—are providing the hand-holding for a particular group of individuals who would massively benefit from some of the services that we offer. Getting that tangibility and granularity into the local figures will enable us to ensure that whatever programmes we want to develop have the reach that they need.

Q116 Chair: Penny, would it be fair to say that the Department has very sensibly given up chasing the end of the rainbow—measuring and commitment to halving the employment gap—and is focusing on very practical measures to help people with disabilities into work? Then maybe when the academic community comes up with some ideas about measurement we will start to think about measuring it. There is not going to be a barrier to getting on to a whole suite of practical measures to help people with disabilities into work that are not there now.

Penny Mordaunt: In part, yes, I think we are very focused on that. Over time, if we get this right and start to change the culture, get people feeling able to report and get more of an understanding, so that we can provide some consistency in that reporting, I think there are



HOUSE OF COMMONS

opportunities that we should take and follow up. I think that is important. We need to do both, really, but getting the big, more long-term stuff right should not stop us focusing on the practical now.

Q117 Heidi Allen: Thank you, Penny. In an earlier inquiry we looked at the success of the Work programme. What was very clear to us was that the Work programme was exceptionally successful for people close to the job market, but where Work Choice was supposed to pick up people further away, it really did not work at all. It is right that it is looked at again, and the Work and Health Programme is the new future.

One thing that concerns us still is that there is a significant drop in budget, so talk to us about how you think that reduced budget will have the effect that we need. Also, I absolutely agree with you that we need to use third parties more; many of them have felt very far away from the commissioning, and that they are too far down the food chain. What is the balance going to feel like between Jobcentre staff just doing it for themselves and involving those third parties?

Penny Mordaunt: For an individual, it will very much depend. What we are trying to move towards is more personalised support; one size does not fit all. The new programme has looked at what has worked well in the past and what has not, but it is different in the sense that we are very much focused on a particular group of people who need particular specialist support. Contracted support is just part of the support that an individual will need. It is difficult to give you a balance of what is supplied in-house, what will be supplied through contractors, and what will be supplied through other people in the community and in that local setting.

What I would say to reassure you on the reach and depth of a programme is that that is just one part of the support that will be there for those individuals. I do not know if you want to add to that at all.

Alex Skinner: The only thing that might be worth adding is about the kind of access that work coaches will have. We will be looking to trial the involvement of third party providers, so that they can get access to specialist support. There will not be such a black and white distinction between the support provided by a work coach and the support provided on a programme. It will be more of a spectrum, where you can start with a work coach who will do what they can do, then they will have the support of the DEAs and the community partners, then have specialist support, and then go through into the programmes.

Q118 Heidi Allen: Talk me through the training that these work coaches are going to need. Picking up an example I can think of in my constituency, a young woman with a first-class degree in computer science, with autism, has been looking for a job for about five years. How can we have confidence that the work coaches will know when they have reached the limit of their knowledge and capability, and should look to a third party to help? If they do not know, then with all the third parties in the world, people are not going to be able to access them.



HOUSE OF COMMONS

Penny Mordaunt: I think there is a misconception, though not necessarily in this Committee, about what a work coach does. I would describe them as the GP equivalent in healthcare. They are the hub for that individual.

James Cartlidge: You have to wait four weeks to see one?

Penny Mordaunt: Not quite that bad, but they are not there to provide the day-to-day hand holding, the buddying role. From my experience of them and seeing the training that they have undergone and that is scheduled for them, we are massively building the capacity of those individuals. They are incredibly knowledgeable. I did a conference call with 600 of them the other day to get their views on how they thought this was going to work and pan out. They have huge expertise, but they are just one part and one layer of the support. There are the disability specialists and the community partners, and then there is this additional layer that we are building in what we have described as the mentoring, hand-holding role. It is not necessarily the case that they are going to have to refer. It is about them working alongside the other specialists in Jobcentre Plus.

Q119 **Heidi Allen:** How is a client signposted to that? How do they find their way through the range of people and structures that can support them? In my head, I thought the work coach was the person you went to and they then identified what you need.

Penny Mordaunt: They can do that, but I think we need to recognise that even if we can design a perfect flowchart, people do not come to us like that. What I hope is that through extending our reach through community partners and these mentoring roles, we will be able to identify more people who want to work and want meaningful activity but currently, because of the way their work capability assessment has worked or because of other circumstances, are not in touch with our services.

The point I was trying to make is that we are asking a lot of work coaches as individuals, but they sit in a web of further support and expertise and work alongside those individuals.

Tracey Waltho: We are saying that the Green Paper signals an important input that we are looking for here, in terms of what further work can be done to build up work coach capability. There are plans in place for accrediting work coaches and building up their understanding of mental health conditions and musculoskeletal conditions. We are doing work with the Autism Alliance to build up understanding of autism so that the work coach can act as a very skilled focal point, but we would welcome further input, as we have signalled as part of the Green Paper, to continue to grow that capability.

Q120 **Chair:** Are these specialists with skills that not all work coaches will have?



HOUSE OF COMMONS

Penny Mordaunt: In the past we had individuals who have had additional training and are specialists, for example in autism. I think you will get some of that. The other part of this is that we are replicating that in the healthcare setting as well, so the Royal Colleges have done some really good work on training. We are looking at how we can develop that further.

Q121 **Chair:** If I went into the Jobcentre, I would be really grateful to meet a work coach to help me progress my pay, but I would not need the skills that you are describing, hopefully, would I?

Penny Mordaunt: You may not, but what we have identified are these—

Chair: Do you think I might?

Penny Mordaunt: No, no.

Chair: I am in a worse state than I thought.

Penny Mordaunt: We are identifying that a conversation with a work coach should be an early part of the process, but I think the point is you are going to have experts. You are going to have disability experts, community partners and other specialisms sitting alongside each other.

Q122 **Heidi Allen:** You are absolutely right that the community partners know so much more about this than Jobcentre work coaches ever will, because it is what they live and breathe every day. They need funding, and my concern is that they are then doing the job of the Jobcentre, and about how that fits. I am sure we will explore that as the consultation goes forward, but that is just my personal question for the record, I suppose.

Penny Mordaunt: I would reassure you on that point. I know you did not mean it this way, but our own staff have huge expertise. They do this every day too, and I do not think I would have had 600 people listening to me drone on, on the phone, if they were not—

Q123 **Heidi Allen:** If they are so knowledgeable, why do we have the disability employment gap that we have?

Penny Mordaunt: I think it is more complicated than that, and don't get me wrong, the reason we have put out a Green Paper is because we are trying to improve these services. I would reassure you that I very much understand that for a long time we have been asking the third sector to do an awful lot for not a lot back. We are very conscious that when we are designing these systems, and we know that the best support sits in that sector, we have to find a way of enabling it to happen and be sustainable.

Q124 **Chair:** Does that mean you will be paying them?

Penny Mordaunt: Yes.

Chair: Good.



HOUSE OF COMMONS

Penny Mordaunt: That is why even during the Green Paper consultation period I have been very clear that we need to use the Flexible Support Fund and other ways. For example, we have spare floor space in some of our Jobcentre Plus offices, and if you have a mentoring group for young people that needs somewhere to go, we need to find creative ways of enabling those services to continue. The third sector is my background, and we have had very lengthy discussions in the Department about how we can ensure that whatever we ask of that sector is reasonable. We can start to enable it to develop services, whether it is to employers or on confidence building, that are sustainable and do not rely on having to fill in a grant application every quarter.

Q125 **Richard Graham:** Can I come in with a quick question to both the civil servants here, perhaps first to Alex, if I might? On the current numbers of people with disabilities getting jobs, it would look as if on a relatively optimistic scenario there might be half a million more over this Parliament who find a job. Is that broadly your feeling or expectation? How will this new health and work conversation between disabled people and their work coach help you judge whether that has been a success or not? How will the people in your Department be measured on whether they have done a good job, or less of a good job, without some form of tangible goal to go for?

Alex Skinner: On your first question, as we have already outlined, the key is that the Green Paper sets out a vision and a starting point, and starts the conversation. As part of the Green Paper, we are putting in place a number of measures that will be rolled out at scale, and they will begin to have an impact as they are rolled out during the course of next year. Then there are a number of things that are being piloted with a specific view to learning what really works and building on that as time goes on. At this point in time I do not have a specific number, but I am very clear that the purpose of the stuff that is in the Green Paper is to build the evidence base, and we will find out what works so that we can ensure that we are delivering it.

Q126 **Richard Graham:** The provision describes what you might call input, changes to processes—as I say, this new conversation—but what Departments are really there for is outputs. That is what all of us as politicians are interested in. What are the outcomes from all of this? Are you saying at this stage that there is no outcome during this Parliament that your team has its eye on at all?

Alex Skinner: No, I am saying there are a number of outcomes that we are interested in. One of the outcomes would be the number of people who are claiming ESA, for example. That is a potential outcome that we could look at. At this point in time, I do not have a fixed set of outcomes that I am working towards, but the kind of thing we could be talking about is—

Q127 **Richard Graham:** How do you judge whether this conversation is one that leads to anything, or just a very useful, interesting, empathetic



HOUSE OF COMMONS

conversation? How are you going to judge what your teams are doing?

Alex Skinner: We will judge the success of it, when we roll it out, by seeing what impact it is having. That could be the number of people who are claiming ESA or the number of people who are in the support group versus the WRAG. Those are the kind of measures we will be looking at.

Penny Mordaunt: Can I add a couple of things that will help with this? One of the changes that has happened in the Department—which you probably know better than I and happened prior to my arrival—is that targets for our work coaches and our Jobcentre Plus staff about someone being on a benefit for x period of time are not helpful. The ideal measurement to have is the distance someone has travelled against their own goals. For some people, that will be getting into work, and for others it will not. Also, the Green Paper is wider than those who are in contact with our benefit system. It is about people who are not on any benefits but are fragile, or are in multiple-caring roles—all sorts of other things.

The way we hold ourselves to account in the interim—while we do not have a formula, which someone smarter than me will work out, on the disability employment gap—is around the current unmet need. We will be looking at people getting access to mental health support, and the numbers of people coming out of education who have a learning disability and who want to get into work. Those are transparent, measurable things.

Q128 **Richard Graham:** Can we bring in Tracey? You have an unusual role because you are in both Departments.

Tracey Waltho: I am, yes.

Q129 **Chair:** Can we just emphasise that there are measurements of tangible outcomes, Penny, aren't there, that we are looking for?

Penny Mordaunt: I would like to, at the end of the Green Paper consultation process, because it is also about us pulling together information. There will be patient groups out there that have a goldmine of information about what is required, where, and what works well and what does not. Certainly the approach I am taking is to focus on those very tangible things. We will continue to report through the Labour Force Survey on the gap, but there will be things that you can ask us questions about, for example, in Parliament, about initiatives that we are bringing forward and the effect and reach of those programmes.

Q130 **Richard Graham:** Tracey, on this business of representing both Departments, what evidence is there about the health benefits for people with disabilities going into work? If a programme to help people with disabilities into work proves successful, in terms of the numbers of people going into work increasing and the numbers of people not doing so decreasing, what sort of health benefits are you expecting from that?



HOUSE OF COMMONS

Tracey Waltho: The evidence picture is mixed at the moment. At that headline level, there is a good evidence base that demonstrates that appropriate work can support people's health. Appropriate work is a very personal thing. We need to be very cognisant of getting good matches in the work that people might enter, the autonomy they would need, and whether it would support their particular health condition or work against it.

As we move forward through our innovation portfolio, we are going to be trialling a range of different elements of support, and will be doing what we think of as a whole of Government cost-benefit analysis to make sure that we are measuring the employment outcomes and also trying to get a handle on the health and wellbeing outcomes. We will be working with an external evaluation partner to scope that out in detail. We are letting that contract at the moment, but we are very clear that we want to be able to look at it from the individual's perspective, or the whole of Government perspective, not just focus on departmental targets.

Q131 Richard Graham: In terms of what the Minister was saying earlier about resources being brought to bear from other Departments, not just DWP and a cash figure of expenditure from their budget, what do you anticipate the Department of Health is going to contribute? Is it going to be an increase in the amount of mental health time and resource available? Is it going to be a cash figure in order to save money at the other end? What do you anticipate this leading to?

Tracey Waltho: Very directly, the Department of Health and NHS England are contributing to the innovation fund, so it is a cross-departmental fund to do this innovation and experimentation work. As we move through and build a firm sense of what tends to have an impact, I would expect us to be focusing on mental health services and provision. We are doing work to bolster the role of employment advisers to improve access to psychological therapies. That role is reflected within NICE guidance at the moment. DWP, via the Work and Health Unit, is paying for that further expansion, and we will be evaluating that through a phased roll-out.

Similarly, there are very interesting models that I know you have heard about from some of your previous attendees who gave evidence, such as the integrated placement and support model for those experiencing severe and enduring mental health conditions. The IPS model looks quite promising in terms of evidence, and we would like to further understand the impact that that has on both health and employment outcomes.

Q132 Richard Graham: This will be funded through the innovation fund?

Tracey Waltho: There is work ongoing funded through Trailblazers to look at the roll-out of IPS in different settings, and we will also be looking at whether that integrated placement and support model could be trialled in other settings, not just for severe and enduring mental health conditions.



Q133 Richard Graham: What sort of budget has been allocated to this, at least provisionally, by the Department of Health?

Tracey Waltho: We have £70 million for the innovation fund, which will be allocated across a range of different trialling.¹

Q134 Richard Graham: For example, all of us will have constituents who are either sleeping rough or homeless, quite often with significant alcohol, drug or mental health issues, sometimes exiling services and so on. Could that include something specifically to help some of them get into work?

Tracey Waltho: It could, and as part of the consultation on the Green Paper we are asking for areas where there are significant evidence gaps that would be worth filling. There is not direct work progressing on that at the moment with our current partners, but there is an opportunity for people to tell us that is important as part of the consultation.

If I may add one further thing, the other thing that the Green Paper starts to do is shine a light on the significance of musculoskeletal conditions. Of disabled people out of work, 55% are experiencing either a mental health condition or a musculoskeletal condition as their primary condition; 78% are experiencing those conditions in some form, albeit not necessarily their primary condition. I do not think there has been enough of a focus on musculoskeletal conditions and the role that employment support might play there, either in stopping people falling out of work or stopping the progression of conditions so that they become very severe. That is a very important focus for the joint work between DWP and DH.

Q135 Richard Graham: Chairman, if we might clarify “musculoskeletal”, in layman’s terms, we are talking about the condition of the body, the ability of the body to work.

Tracey Waltho: Bones and muscular—yes.

Q136 Neil Coyle: Coming back to the point about work coaches, we have heard a lot about their role. They seem to be coming under increasing pressure to work with employers to a greater degree and with the third sector—which you touched on today—to understand impairment and mental health conditions, among other things, better; to understand the local employment market where availabilities might be; and to support, as well as sanction, individuals going through that process. It is a massive job. What support is the Department and the Jobcentres going to give to work coaches to better manage the relationship with the third sector, in particular? Bear in mind that some of those smaller third-sector organisations you have been talking about, Minister, are exactly the ones

¹ The Department would like to clarify that the £70m is joint funding and does not come solely from the Department of Health. As stated in the response to Q131, funding for the innovation fund is cross-departmental from the Department for Work and Pensions, the Department of Health and NHS England.



HOUSE OF COMMONS

who not only lost funding from changes to government contracts under the Work programme, but are seeing the people who are sanctioned by their Jobcentre. There is a real job to rebuild that trust.

Penny Mordaunt: That relationship is absolutely vital. I am very conscious that policy is just one part of my job. Much of it is about delivery on the ground, which is why I have been doing a lot of internal comms to emphasise why we are changing the way, using the Flexible Support Fund, and talking about mapping the third sector in a local area. We do a lot very well already, but I want to ensure that we are not missing any tricks about understanding what that landscape looks like. There will be the very welcome and usual suspects who are very engaged with what is going on, and who perhaps have had services commissioned from them. But tucked away in the local acute hospital there will be a patient group that has an enormous number of people in the support group, for example, who would like some assistance and access to some of the things we do.

We have been talking about the very practical, basic things about how you map that, who you go to in your local authority to get that information, and also devising a simple way for people to do it—sorry to talk about something very dry, but literally our procurement IT, rather than having to go through a lengthy procurement process. If somebody wants the person who runs the Headway brain injury group to come in and learn what we do and maybe bring some people in for a few days a year or whatever it is that they want to commission—that small piece of work—they can literally go into our procurement system. It is in category 1; they type out what they want and it is done—it is procured. There is no lengthy admin behind it.

We have thought very carefully about all the things that need to happen on the ground to enable that relationship to get stronger and also to dispel some of the myths. We are still in the business of funding confidence building and those sorts of things. There are some myths out there about what we stopped doing or are not interested in commissioning. We have spent a long time talking to our work coaches, our disability advisers and other people to get those messages across. Over the next few months, we are also going to be monitoring what they are doing. We will be able to see who they are procuring these small bits of work from. I completely get that.

Q137 **James Cartlidge:** First of all, I am thinking of someone we are trying to help here. We have heard all the discussion so far. Could you summarise to me in a nutshell the difference between the personal support package and standard Jobcentre Plus of someone in this category?

Penny Mordaunt: In which category?

James Cartlidge: For the various people we are trying to help, there are all these different initiatives. Could you summarise—I think I know probably what you are going to say—the key point about what you are



changing with your personal support package?

Penny Mordaunt: The thing you are expecting me to say is there is no standard person. One of the most interesting things I have learned about this Department is the work that is done around—I think my colleagues call it “personas”—trying to understand the different sorts of clients we need to be focused on and do better for.

If I have understood your question correctly, separate from the Work and Health Programme, some of the personalised support that is coming in next year will be substantially upscaling some things that we do, for example, on our community partners. Some of it will be people getting the early conversation they need with a work coach. There are 13 measures in total that are outlined in the Green Paper, but currently people have not had access to that support. It has the option to be focused on people that previously have not had access.

Q138 **James Cartlidge:** I remember the days of running a small business, and recruiting and the variety of people you are presented with. If I take a very striking statistic, page 15 of the Green Paper at paragraph 34 says, “Disabled people from more disadvantaged backgrounds are more likely to be out of work. While employment rates can be as low as 16% for people with mental health conditions who live in social housing, for disabled people who live in a mortgaged house and who have one or two health conditions, the employment rate is as high as 80%”, which is basically normal.

What concerns me, to put it bluntly, is I get a lot of constituents who come to me who are worried about their benefits being reduced. I cannot remember the sort of person we would be seeing persist in coming to ask to get into work or more help to get into work. That is just my reflection. You are asking a lot of the work coaches. What I want to understand is what they are going to be able to do to crack these tough jobs, particularly people who have significant educational disadvantages.

Penny Mordaunt: There are several things I will say to that. First, not to dwell on it because I have had quite a lot of air time in Parliament recently on this subject, I very much understand the issue of not just the support that someone gets but also enabling them to cope with the situation that they are in currently. A lot of my time is spent looking at that, looking at trying to find ways of reducing people’s outgoings as well as providing support to them and those very practical measures.

What someone needs is a variety of local support to be wrapped around them. It is very much in our minds that this is a health and work paper, but we have to get other players around the table, which is why we have designed the consultation to take place at a very local level, and not just done within a particular therapy area or patient group but getting alcohol services and everyone else round the table.

I would take issue with your statement about people worried or concerned about the level of support that they have, particularly for



HOUSE OF COMMONS

people who have not had any, to be brutally frank, who may have had an accident or injury, which has affected them greatly and have been parked in the support group. They and their advocates have been very vocal to me, as a Minister, about them not getting that support. I am very conscious that we have to do both of those things.

The support that we are bringing in next year for the WRAG is much needed and has been designed by advocacy groups. But that does not absolve me of the responsibility of ensuring that they are able to focus on their health and preparing for work and do not have other worries that are distracting them.

Q139 **James Cartlidge:** Finally, to endorse Heidi's point, in my experience the local volunteers in charities involved with mental health in my constituency are absolutely brilliant. I have referred people to them from my surgeries who have had fantastic results. I do not think you can beat the compassion and commitment you get from people who are volunteering for those charities. I endorse the point that if there was funding available for those partners to come in alongside for these tough cases, you might be surprised at the results you get.

Penny Mordaunt: No, I agree.

James Cartlidge: Tracey, maybe you want to comment.

Tracey Waltho: I do not want to tread on Alex's toes, but the only thing I wanted to add is it is sometimes easy to forget how little support some groups can get at the moment. The introduction of the health and work conversation very early in your claim feels like a significant step up in the level of support that is being provided. It is a very behaviourally-focused conversation that starts to talk to people about their hopes and aspirations, rather than the standard things that you might expect DWP to be talking about. That is starting the journey on a very different footing, rather than simply looking at people when they have been sitting on benefit for a very long time and may be furthest away from the labour market.

Q140 **James Cartlidge:** What we are all feeling here—if I may be so bold—is that this work coach is going to have to be pretty stellar, because you are putting a lot of pressure on them for tough cases. Is it your expectation that you will be giving them not just their own personal training approval but support around them from the community, like third parties, as an explicit policy?

Penny Mordaunt: Yes, and I would emphasise what I have said before. There is a perception of the work coach as someone who is the buddy of all of these individuals that they have on their list. They are the hub for our own layers of support, but also other support that is available in the community. They sit alongside the disability advisers, the community partners, and the mentors that may be from their own patient or peer support group. We still are asking a lot of these individuals, and I am very conscious about that, just as we are going to ask, no doubt, of GP



practice nurses and all sorts of other things that come out of the Green Paper. But they are one part of a web of support in Jobcentre Plus.

- Q141 **Neil Coyle:** One thing that would help that web to deliver is a very clear timeframe for when the Government expects to deliver its target. You said the Department never intended to deliver the halving by 2020, but there is a press release from the Department in June 2015 that says, "The Government believes every disabled person who wants to work should be able to and aims to halve the gap between the disabled employment rate and the overall employment rate by 2020". Today you have said that target never existed, even though it is out there in the public domain, and it is not even the target of a 10-year strategy from the Department.

Penny Mordaunt: I could spend however long I will have as Minister working out a formula, with people smarter than I, that would measure the disability employment gap and say whether we were doing a good job or not. I do not think that should be our focus, because of the reasons that you have heard in previous evidence sessions. What we need to do to, first, hold us to account—

- Q142 **Neil Coyle:** Sorry, with respect, that might be your position now, but you said the Department never had that commitment. That is false. We can see that from what the Department has put out previously.

Penny Mordaunt: That is my understanding. I have not been able to find the press release you refer to, so you can say that to me.

Neil Coyle: 29 June 2015. I will send that through.

Penny Mordaunt: The former Prime Minister said in a television interview that he would like to have done it. It is not a manifesto target, but that does not mean we do not want to do it. Whether it is our KPIs on the experience of those claiming benefits, or the initiatives that we are bringing forward to help the different personas that we are focused on, I am fine to come up with measurements and schemes that we can be held to account on, but they have to enable us to ultimately deliver for the people that we are wanting to serve. That is what I am going to spend my time on as a Minister, not some measurement that will not be meaningful for a number of years and will not hold us to account because it can't.

- Q143 **Richard Graham:** Minister, probably we all find it a little bit hard at this stage to identify what are going to be the outcomes from the changes proposed in the Green Paper. Can I ask you or Alex to outline for us in very simple terms what happens? What do we do to explain to a constituent who is in the WRAG exactly what happens? "I am going to help you, Mr X, to get a job. There are three steps that are going to happen. I am going to take you to"—who first? Who is going to do what, and then who else? How many people are going to be involved, whether it is the work coaches, or the disability adviser? Three or four other job titles have been mentioned. I am a fairly simple, slightly overstretched



HOUSE OF COMMONS

MP, and I want to be able to explain to my constituent very simply who he or she is going to see and what happens. I do not want to pass them from pillar to post around a complicated system. Alex, can you give me a very simple idea of that, or Minister?

Penny Mordaunt: What might be helpful is if this: when I came into the Department, I got my officials to produce a flowchart of literally the process so I could understand it, the interventions and what we thought ought to happen when we were looking at what we might consult on in the Green Paper. I do not have it today, but as a starter, I could share that with the Committee.

Q144 **Richard Graham:** That would be very helpful, although my concern is the fact that neither of you are able to answer it, and that you want us to look at a flow diagram, suggests to me this is going to be almost as complicated as engineering petrochemicals. We just want to know: for someone who wants work, who has a disability, what happens in the brave new world?

Alex Skinner: The simple answer is they will have a meeting with a work coach, and that will—

Q145 **Richard Graham:** They go to the Jobcentre Plus; I am assuming that is stage one, is it?

Alex Skinner: Yes.

Q146 **Richard Graham:** In the Jobcentre Plus, they identify that they have a disability.

Alex Skinner: If they are in the right group, the first thing that will happen is they will call DWP to say they want to apply for ESA. Then what will happen is they will go through that process; they will fill out the forms. Once they have had the work capability assessment, at the moment, they would have a meeting with the work coach, who would have a discussion with them about the support they needed. The health and work conversation brings that forward—

Q147 **Richard Graham:** Sorry, who does the health and work conversation? Is that somebody else?

Alex Skinner: That would be a work coach.

Richard Graham: They have had a session with the job coach and now they go to a work coach, is that right?

Alex Skinner: I just call them a work coach.

Richard Graham: Same person?

Alex Skinner: Yes. In my language it is just a work coach. The work coach, as the Minister described, is the lynchpin of all of this. The individual will come and see the work coach, but sitting behind the work coach will be the disability employment advisers who will mentor work



coaches and give them extra support where they need it, and they can go and have that. Also the community partners—

Q148 **Richard Graham:** They are mentoring the work coaches. Do they have any direct involvement with the individual looking for work?

Alex Skinner: That would depend on the exact circumstances. The lynchpin of it is the work coach, and the work coach will provide that. Where the work coach needs to draw on specialist expertise, whether it is the trials we are having for the specialist support or whether it is the community partners, they will do that, and that will depend on the exact circumstance of the individual. But in terms of who they have to see and whether they will be passed from pillar to post within the Jobcentre, no. The place where they go is they have the discussion with the work coach, and the work coach builds the relationship with them.

Q149 **Richard Graham:** There are roughly 650 constituencies. How many people with disabilities on the WRAG do you estimate in each constituency?

Alex Skinner: That would vary a lot depending on the socioeconomic circumstances of the constituency.

Richard Graham: It would, but do you have a broad figure?

Alex Skinner: In the WRAG there are somewhere around 400,000, 500,000 people. I would have thought there are less than 1,000 in a constituency.

Richard Graham: Less than 1,000. Maths is not my strong point.

Alex Skinner: But that is at a very high level.

Q150 **Richard Graham:** How many job coaches for these roughly 800 to 900 per constituency will there be in the local Jobcentre Plus?

Alex Skinner: The work coaches will not just deal with people who are in the WRAG. They will be supporting anybody who is coming into the Jobcentre, and the Government have announced that they will be hiring an extra 3,000 work coaches to support the needs not only of disabled people but other people.

Q151 **Richard Graham:** They will not have any specialism in helping people with disabilities?

Alex Skinner: All work coaches will be trained so that they can support people who are on ESA and have a disability. We have people who have a disability who are on JSA as well; it will not just be ESA-specific. It would be broader than that. All work coaches will have that capability. As the Minister has said, there is a programme of professional development to make sure that they all have expertise in supporting disabled people.

Q152 **Richard Graham:** So everybody gets access to the work coach, whether they have a disability or not. What does the person with a disability get



HOUSE OF COMMONS

that is more than what everybody else gets?

Alex Skinner: What they will get is their health and work conversation, which will start at four weeks, because —

Q153 **Richard Graham:** That is with the same person?

Alex Skinner: Yes.

Q154 **Richard Graham:** But the other people do not get a health and work conversation?

Alex Skinner: The health and work conversation is about people who have a health issue or a disability, so not everybody who goes into a Jobcentre would have that same support.

Penny Mordaunt: Then there is other specialist support such as the disability employment advisers.

Alex Skinner: Sitting behind those are the advisers, and then we have the personal support package, which is all the other stuff that we are bringing in to support these people. That is the Work and Health Programme specialist employment service.

Q155 **Richard Graham:** It would very helpful, Chairman, for us to go and see this in action somewhere as soon as there is—are you going to run a pilot project on this, Minister?

Penny Mordaunt: It is done.

Richard Graham: If there is a pilot project, perhaps we can—

Q156 **Chair:** Is there one in any of our constituencies at the moment? Do you know, Penny?

Penny Mordaunt: Not off the top of my head. We have some information on local patches.

Q157 **Craig Mackinlay:** I can understand your ambitions, Minister, on the WRAG and the type of support that is going to be around. Concentrating on those in the inner support group who are often harder to get at—they have obviously more complicated issues—from looking on the GOV.UK website, it is in their hands if they want to engage with an adviser, rather than anything that they are forced to do. How would you propose to increase the level of engagement with these people when there is no statutory duty on them to engage with you at all, apart from perhaps an ongoing assessment through one of the external assessment companies from time to time?

Penny Mordaunt: When I have spoken to patient groups and peer support groups, which are the sorts of organisations that are providing that advocacy and buddy role and quite often a social programme for individuals, they have not had that much contact with our services. Two things that we are doing literally now, and will be as of next week with regard to the Flexible Support Fund, is to hold the local events about the



Green Paper, invite those groups along, ensure that our local Jobcentre Pluses have mapped that provision, that they are talking to the hospital as well as the local authority and the groups that it is in contact with. Secondly, they are also, through the Flexible Support Fund, enabling those groups to come in to get trained up a bit more about what we do.

One of the things that has resonated, as I have had my induction in the Department and gone round and visited places, is that someone's desire to work is a more important factor than probably any obstacle they have to overcome. One of the things that is probably the most exciting about the Green Paper and what it might yield is that it will enable us to provide more support to those individuals who are probably closer to the labour market than we would imagine. It is a first step but it is an absolutely critical step to build the connections between our local offices and those groups that may not to date have been involved with our services.

Also, although we talk about healthcare as part of the solution and interventions and services that we need, they are also critical to signposting people to us and to publicising what we do—to patient groups that are based in those settings, for example. That is another way that we can raise the profile of what we are doing.

Q158 Craig Mackinlay: I am mindful that if we had a great result with the WRAG, you still would not have got rid of the disability employability gap. We do need to get into the support group one way or another. Is the location of a Jobcentre Plus site the right one to do it, or perhaps would home visits be more appropriate by these different groups of community partners that are being considered?

Penny Mordaunt: It will be driven by local need. It has to be. The options available in one constituency—my constituency is the most densely populated city in Europe apart from London. We have ways of doing things that would not suit a rural setting. We have to look at what suits that particular local area. That is why it is critical that we are empowering our local offices to be able to make these decisions—to ensure that they are not just relying on the usual suspects coming to them, but they are doing proper outreach and that they are supported to do that.

Tracey Waltho: Part of the work that is very interesting in the area of health is the extent to which health settings can be used to engage people in employment support as well. Last week I visited Central and North West London Integrated Placement and Support activity. They work with people in the support group, and they work with people who want to work. It is a very interesting model. If you are thinking about visits, an integrated placement and support setting would be very interesting for the Committee as well.

It is a different context, and people might feel differently about engaging with employment in different settings. So that is something we are exploring, both through the innovation fund activity and the debate that



HOUSE OF COMMONS

we are setting up through the Green Paper. The answers may be different for different individuals. I do not think we need be prescriptive about it at this stage.

Q159 Heidi Allen: Just a quick question about the Flexible Support Fund. Could you remind us how much it is? How does it get shared out for Jobcentre? Is it per capita? Roughly what sort of figure are we talking about for Jobcentre? Can you list the various things that it can be spent on?

Penny Mordaunt: Certainly. For the next financial year it is £83 million. We are not completely prescriptive. It is up to the local offices how it is used.

Heidi Allen: How much is that roughly per Jobcentre?

Penny Mordaunt: I could not give you off the top of my head but it is distributed at a district level. Within that network there will be some areas that are more needy than others. It is used, at the discretion of the job coach, to commission small packages of work. If they spot a gap in its mentoring or its confidence building or other provision, they can commission that locally. It is also there as a fund to assist with those who need additional financial support for work-related activity and cost. There will be separate schemes for transport and things like that, distributed locally, but if someone needs clothing for an interview or some other financial outlay, they can use that fund for that. That is separate from the other piece of work that I am doing, which looks at an individual's cost not related to work.

Q160 Heidi Allen: We will come on to that in our later questioning. Is it just two things: commissioning particular pieces of work, and funds for job seekers for work-related things that they might need.

Penny Mordaunt: Yes. There is quite a broad spectrum in those categories as to what people may use it for.

Q161 Richard Graham: Tracey, in line with Craig's question, I am going to ask very quickly about where else can be a good place to have these discussions about work and so on. There have been a variety of different conversations around food banks and other places in constituencies. Certainly in mine, there are food banks alongside NHS care services, help for the homeless and things like that. But there is some real potential for joined-up thinking there. In your experience, is this something that has been pursued by either Department? What is roughly the rate of success in encouraging food banks, and other services around them, to also start having discussions about volunteering and moving back?

Penny Mordaunt: Sorry, that is more my terms than Tracey's. This is a big focus, and I do quite a lot of work with both the Secretary of State and with Minister Hinds. We have been talking about different models of hubs, what makes them work, and particular settings in particular circumstances. Although I do not look after it, we have an estates



HOUSE OF COMMONS

programme as well, and we are very conscious, when we are making decisions on that, that we are thinking about what opportunities there might be while we are doing that. Over recent months some good progress has been made with regard to us working with food banks.

Q162 Richard Graham: Where is the basic blockage there? Is it with the Jobcentre Pluses who do not think it is worth while, or is it with the food banks who are suspicious and do not want to do it?

Penny Mordaunt: Neither. For instance, in my own constituency, my food banks have wanted Jobcentre Plus staff to be there when they are open because it helps pick up any problems with someone's benefits and so forth. Historically, this had not been welcomed by some food bank groups. We had done some pilot work in the Department looking at it, but there has been a policy change from those food banks that were not in favour.

Q163 Richard Graham: So the food banks are now broadly in favour. Are the Jobcentre Pluses all in favour, because in my experience it is not quite as enthusiastic as you imply?

Penny Mordaunt: No, there had been historically some confusion about whether this was something that Jobcentre Plus staff could do. It is a particular issue that I have focused on, given my own situation in Portsmouth, because it took me quite a while to get this to happen before I was Minister. But I had a particular meeting with other Ministers literally a few weeks ago where we were following up our internal comms to our Jobcentre Plus staff to ensure that it had been communicated to them that they had permission to do this.

Q164 Richard Graham: What happens now? Are all Jobcentre Pluses now required to look at holding surgeries or sessions at foodbanks, or is it up to them whether they decide to or not? Is it something for us to pursue if we are interested?

Penny Mordaunt: We have given ministerial direction that we think this is a sensible thing to do, but clearly it has to be with the consent and want of the local food bank. Where that is there, we would expect that to happen. We will monitor who is doing it and who is not.

Q165 Chair: There is a difference, isn't there, between people who are at the food bank because they cannot get their benefit, or their benefit has been stopped for whatever reason, and meeting somebody from the local Jobcentre to help them get their benefit entitlement, rather than having work advisers in the food bank?

Penny Mordaunt: Yes.

Q166 Chair: That has been a problem with some of the food banks. They have welcomed people who get people's benefit sorted out and then help them get a job, but in the first place get them a stream of income so they are not dependent on the food bank.



HOUSE OF COMMONS

Penny Mordaunt: That stream of income is the reason why we think this is a good idea. They are there if they want it.

Q167 **Luke Hall:** Minister, employers who may or do take on and retain disabled people are clearly a vital part of reducing the disability employment gap. What support is your Department going to provide to employers of disabled people?

Penny Mordaunt: We are going to be doing a variety of things. One of the key asks from employers is simplifying and having easier access to information and advice on funding that is available to recruit and retain disabled people. One of the things in the Green Paper is creating that one-stop shop, so that, as I have mentioned before, you can then hang further services off it, and provide the third sector with another way to provide an income for the services that it currently does but wants to expand.

There is other work going on with business on the employment side of things, but also on accessibility and other more consumer issues in each sector, and bringing forward a business leaders group to ensure that each sector is playing its part. I suspect, as we try to roll out things like Disability Confident in the meantime, there will be sectors charging at it, and there will be other sectors that are not so good at taking it up. But what is wanted by the employer is that bespoke support. They need general advice about access to work and all those other things, but ultimately if they have hired someone who has autism, they want to know what to do for that individual. That needs to be supplied by third-party organisations, and providing that gateway is one way that we can help that happen.

Q168 **Luke Hall:** Thank you. To what extent have you looked at providing financial support to employers?

Penny Mordaunt: In addition to the Green Paper, I am doing some work looking at how we could financially incentivise and support employers, particularly people whom we would want to pay, and ensure they were getting the living wage, but that it would be difficult for an employer without some financial support to provide.

I am very clear that to meet our aspirations on the employment gap, we need to do things other than what is in the Green Paper. We need job creation schemes. We need to raise the profile of the unmet need and help businesses carve out roles for certain individuals. Part of that is going to be providing some financial support to make it happen.

Q169 **Steve McCabe:** I wanted to ask the question the other way round, Minister. Obviously employers do want to know what support might be available. My sense from speaking to small employers is that they are worried about what might happen if they take a chance and give someone an opportunity and it does not work out. They are worried if it is then going to be a problem, if they are going to be hauled before a



tribunal or whatever. Is there any consideration being given to how there could be contractual possibilities that would make it easier for employers, or give them more assurance in those circumstances, so that they will be encouraged to give people the opportunity, but would not be risking putting their business at stake by doing so?

Penny Mordaunt: I anticipate ideas of that ilk coming forward through the Green Paper consultation. It is quite interesting that even while the consultation is going on, small businesses are organising themselves in the consultation process collectively, whether it is an industrial estate or high street. There is some potential there, and people are starting to cotton on, whether it is on the disability side or on the health and wellbeing side, that this is important, and people need to work together and pool resources to ensure that they are doing good things.

I suspect we will have ideas like that come forward. Probably the most significant thing is people being able to see someone else who has done it, and also—we have not spoken much about it—see the benefits of it. I am sure we all have anecdotes of people we can talk about who have immense talents and huge potential offerings to a business but cannot get a foot in the door.

Q170 **Craig Mackinlay:** It is often difficult, when you have your own Department, to cross over to other Departments. We have Health obviously here, but perhaps it is Treasury at times. We have had previous attendees here who were concerned that disabled people come with a trophy of cash on their head, and that is not quite the way we want to go. I go along with that. Could there be things like a national insurance relief for employees, like we have for young people going into work—national insurance employers' relief for people coming out of unemployment who are disabled? Perhaps there are capital improvements required within a business workplace where the employer might be reluctant to fund those, a bit like research and development tax credits, where you get more tax relief than the money you spent. Could there be some of this cross-working in discussion with the Treasury to help in that direction?

Penny Mordaunt: I would think that we will have all sorts of ideas come forward in the Green Paper. Much can be done by information and reassurance to people and greater awareness-raising. But there may be some other practical things that we need to look at, and that certainly will be brought forward.

The other thing I would say is—and again it is the work that we are doing that sits alongside the Green Paper—we will be putting some information out there very shortly about further research we have done with regard to the purple pound, the importance of insight into a workforce, the actual bottom-line benefits of employing people who are problem solvers—twice as entrepreneurial as the average person—and being more aggressive about the missed opportunities and talent that is out there, and what that means to a business. We can do this obviously in the



HOUSE OF COMMONS

meantime as we are consulting, but we want to be more aggressive about that. We have recalculated the purple pound, as we will announce shortly. It is a lot bigger than we thought previously.

Q171 Richard Graham: Minister, in terms of new thinking, Craig is absolutely right to ask the question about what sort of financial incentives are there, not because the only reason why employers will take on someone with disabilities is because there is a financial fund, but what we found with apprenticeships was that the moment we changed the rules on national insurance, that opened up many more small businesses to taking on apprentices. Since it was so successful there, I am surprised it has taken so long. I have certainly been asking your two predecessors about this for the last two years. But there are other things of course that could be done.

There are now, as the retirement age moves up, increasing numbers of people who might be out of work with disabilities who are over the age of 55, which I think is the starting age at which Age UK starts offering their assistance and so on. There are other partners out there who would not be your current charities that are proving so successful at helping people with disabilities into employment, like the small enterprise, Pluss, that has a very good operation in my constituency of Gloucester; they are well known to you. But Age UK may not have been thought of as a potential partner. Do you think the Green Paper has enough thinking outside the box, and is there enough dialogue with Treasury to enable them to look at these things, in terms of if we are prepared to give financial incentives here, we may save ourselves much more money in another way? Where has the dialogue got to so far?

Penny Mordaunt: There is dialogue and I am working very closely with the other Commons Minister of State, Damian Hinds, on older workers in particular. The other group that we are very focused on is carers—not just those who are claiming carers allowance, but those who perhaps are not but have multiple caring roles and need focus to build their financial resilience and help them plan for the future. We are very focused on those groups. There is all sorts of other work going on that sits outside the specifics of the Green Paper on those individuals and we are having very regular dialogue with Treasury about that.

I have met with Age UK and will continue to meet with them. There is obviously a massive overlap between the people that I am primarily concerned with and their client group.

Q172 Richard Graham: In terms of Disability Confident, which is looking at it also from the employer's perspective, a number of us have had Disability Confident events, and they have been very helpful in a number of ways, but in my experience the real problem is the follow-up. You get lots of employers who sign a board, a photograph is taken, a press release issued. People go away with a warm and fuzzy feeling, but it is about how many of them go and do something. When I have sent e-mails to all of those who have signed, asking them to give me chapter and verse on



how many people with disabilities they have subsequently employed and so on, the ones who respond are the ones who were already doing this beforehand, and they have done a bit more. But the ones who signed it because they felt it was a good idea and all the rest of it—I am sure with good motivation—on the whole do not come back, which leads me to suspect that not a great deal has happened. What sort of a link is there going to be between the work coaches and the disability advisers and people who have signed at Disability Confident events? Alex looks as though he has a solution up his sleeve.

Penny Mordaunt: I was going to say something. We have relaunched the Disability Confident scheme. In its earlier guise, we were leaning on Jobcentre Plus staff to verify what was going on, and it was perhaps light on the incentives to do what we were suggesting they do. The new scheme has some teeth to it. To become the top tier and leader, what you are doing has to be independently audited. It is the lower tiers—

Q173 **Richard Graham:** It is going to be a kite mark, is it?

Penny Mordaunt: By independent assessors.

Q174 **Richard Graham:** By independent assessors writing the paper.

Penny Mordaunt: The other thing, critically, is that employers want to do these things, but sometimes you need a real business reason to start off an initiative when you have all sorts of other things going on. We have signed up all the Permanent Secretaries of every Government Department to the scheme, and they will look at Disability Confident businesses and give them preference in procurement. If you want to win a Government contract and you are not a Disability Confident leader, you stand less chance of winning that contract.

Q175 **Richard Graham:** That is a stick. What about the carrots?

Penny Mordaunt: I would say that there are real business reasons why having this currently largely untapped pool of talent, which has things to offer and massive insight into your customer base, is probably the largest incentive that we need to make people aware of. My hope is that we will have both those carrots and sticks rolling out.

Q176 **Richard Graham:** Can I make a suggestion? The greatest carrot would be a series of small, amateur, not expensive but good, maximum one-minute videos talking to people who work alongside people with disabilities and hearing from them how these people are doing fantastic jobs, what a positive difference it is making to the business, and how it inspires people around them to work, precisely because they tend not to go off sick, to be more loyal, they often work harder and all the rest of it. Employers can see this is not about some form of CSR requirement. This is about taking on people who are going to improve and make their business better. If we can do that, then the carrot is that they are getting great employees. Nowadays it has to be done visually; no amount of words is going to succeed. There are some films around done by some of



HOUSE OF COMMONS

these smaller charities. DWP can put them together and get them out there on YouTube; people will get that message much more powerfully.

Penny Mordaunt: That is a very good suggestion. There is an aggressive comms plan to roll out the scheme. We will be making further asks of Members of Parliament to help us do that. I know the Chairman has an event coming up shortly. But you are absolutely right, we need to create some momentum behind this.

Q177 **Mhairi Black:** It is good to follow after Stephen Spielberg there. I have been aware throughout the whole session that we have been talking a lot about supporting people getting into work and trying to support employers. I am interested in what support will be available once people are in work. We already know from the last batch of statistics that disabled people are more than twice as likely to fall out of work.

Penny Mordaunt: That is absolutely right. and a big focus in the Green Paper is that 150,000 fall out of work between quarters. Your question points to another thing as well: that all of the issues that contribute to someone not getting a foot in the door are also factors in them not getting promoted, or feeling that they are restricted in maybe taking a job in another organisation.

As well as the Green Paper, I am looking at schemes that we currently run. We are looking at things like Access to Work, which Alex looks after, where, just to give you an example, the equipment is given to the employer as opposed to the individual. We are looking at how that might disincentivise someone from taking another job opportunity to help further their career because they are worried they would have to fill out another form. There are a raft of things we can do around ensuring that our own processes and systems are supporting someone having those choices, rather than shutting them down, as part of schemes like Disability Confident. Also, work is going on to raise awareness in business and encourage good practice to be shared through trade bodies, for example.

Q178 **Mhairi Black:** On that point, there are two major problems that I can see with these cuts. The first is the practical side of things, because if you are someone who gets into work and three months later you lose your job, you are then considered a new claimant when you come back, so you would get the lower level of benefit. If we are talking about what is incentivising people, could it not be argued that that maybe is a disincentive for people to try to push themselves into work, because they do not necessarily have the peace of mind that they are going to have a long-term job?

Penny Mordaunt: There is some protection there for people: for a certain time period, they are not considered to be a new claim if it does not work out for them.

Q179 **Heidi Allen:** How long is that?



HOUSE OF COMMONS

Alex Skinner: If they are above the threshold, it is 12 weeks, but part of the changes we are making are to the 52-week rule. That used to prevent you if you were earning relatively limited sums, which meant that after 52 weeks, you would have to come off the benefit. That has now been removed. One of the problems in the system, which was that if you were trying to work at a relatively low level, that was problematic, has been removed, but it is 12 weeks for the others, so you get to try work for up to three months.

Q180 **Neil Coyle:** How long is the average probation period for starting a new job? In my office it is three months.

Penny Mordaunt: Well, it would vary dramatically.

Alex Skinner: I would guess about three months.

Penny Mordaunt: First contract, say, three months, yes.

Q181 **Neil Coyle:** You might not pass your probation, but you still would not qualify as an existing claimant. You would be considered a new claimant.

Penny Mordaunt: Yes. There are ways of supporting people, and there have been for some time, with the additional costs directly related to getting into employment. I need to do both things. I need to, and I want to, continue with support that is due to come in next year for these individuals, but I have been very clear that does not absolve me from trying to find other ways of ensuring someone's outgoings can be managed and that additional costs that someone is facing can be covered.

Q182 **Mhairi Black:** That is my next question. What does the Government estimate to make in savings from these cuts, the £30 cut a week? What is the figure that you think it will save?

Penny Mordaunt: In the original it was—do you know what it is?

Alex Skinner: I am just about to find it. At the March Budget, the savings were £30 million in 2017, £118 million in 2018-19, £345 million in 2019-20 and £450 million in 2020-21.

Q183 **Mhairi Black:** Out of that, how much of that money is being used for the new kind of support that is supposed to bridge the gap and help people who are facing this £30 cut?

Penny Mordaunt: That would be the 60 and the £100 million.

Alex Skinner: Yes, so that would be the 330—the 60 to the 100.

Penny Mordaunt: Yes, but this is just one aspect of support that is being provided to individuals. There are other increases to other budgets that would contribute to those individuals. We have to do both things. We have to provide support that currently has not been in place for these individuals and there is a cost to that. But I am very clear that if we want



HOUSE OF COMMONS

people to be successful with that support, the best way we can do that is to ensure they can focus on doing it and they do not—

Q184 **Mhairi Black:** Are these savings that are made being reinvested, or is that ending up somewhere else?

Penny Mordaunt: There are not savings to the Department's overall budget. There will be increases in other expenditure lines, providing support to extend programmes. Welfare spending is not going down, so there are not savings in that respect. We are trying to use the money in the most effective way. I am trying, as a Minister, to find ways I can reduce their non-work-related costs, because I recognise that it is not just someone's income amount but also their liquidity when they are going through what are perhaps quite radical changes to their household budget and what they have to meet that.

Q185 **Mhairi Black:** Talking about that, there are two major problems I can think of. That is the first practical one, like Heidi said: three months being the probation period. So there is the practical side of things, but the second one that has been definitely prevalent in all the written evidence we have seen is the human cost of these cuts, because almost unanimously the evidence we have is heavily criticising these cuts. I am interested in the studies, the evidence, the basis for the Government pursuing this policy and this belief that by cutting £30 it will incentivise people, because I honestly cannot find it anywhere.

Penny Mordaunt: I am a new Minister and I can point to reports that have spoken about benefit levels being a factor in getting people into work. Barr et al is one such study. There are other reports, but as the new Minister I am not relying on those reports. I fully accept that you stand the best chance of enabling somebody to focus on what is already a stressful and challenging situation for them—whether it is preparing for work or doing a new role or trying to get back with their employer—and also being able to focus on their recovery if they do not have other things to worry about. I have to do both those things.

Q186 **Mhairi Black:** With respect, though, when you are saying that, the experience of the people who are coming into my office, my constituents, is that these proposed cuts are causing more anxiety and making them worry about other things. In fact, there was a report done independently by some peers, and they found exactly the same thing: that all these cuts were doing was causing anxiety, stress and more concern, and it was detrimental to the health of people who were trying to get back into work. I would say that is overwhelmingly the evidence that this Committee has been given by key stakeholders. What is the basis for the Government just running with this? It seems quite bizarre for the Government to pursue a policy on no evidence, when in fact the evidence is—

Penny Mordaunt: The evidence that people need further support is massive, so the 13 measures are required in my view, and in the view of



HOUSE OF COMMONS

advocacy groups who designed them. Not doing that would be an extremely bad thing. We need to progress that and get on with that.

Q187 **Neil Coyle:** Did any of those advocacy groups suggest that those 13 things were needed alongside a cut in the financial support to people, for example, with learning disabilities?

Penny Mordaunt: Funnily enough, no, but I would stress to you that although that is what we are going to spend money on, and we are going to extend other programmes that would benefit those individuals and others like them, I need to also cover off those concerns that you have articulated. I am exploring various ways of doing that. I recognise I have to do that quickly. I have moved support in the Department, so I have a dedicated team of people doing this, and I need to do it sharpish. But as I sit in front of you today, that is the only way I can ensure people have the funding they need, that they have other options to reduce their outgoings, and that is what I will do. I will do both those things.

Q188 **Mhairi Black:** I have just a last question. Surely, Minister, you can see how bizarre it is to say, "We have to get more support for this group of people; they are the ones I want to serve," and "We are going to do it by taking money off them." That is something I cannot compute just now.

Penny Mordaunt: I would say to you we have to do two things. We have to enable someone to cope with their current situation. That is why I am doing this thing in addition to the support fund—and other things—which is the discretionary fund that work coaches can use, where I am doing something over and above what was discussed when this was going through last year. The other thing I have to do is not just enable someone to endure their current situation. I have to enable them to get out of it, and that costs. I have to do both those things, and I will do both those things.

Q189 **Chair:** You have told us there are going to be cuts of £1 billion and some of this money is going to go back specifically to this group. Will the £600 million or so that is left go to other people with disabilities within the Department, or is it going to go to other parts of the Department's budget, or is it going back to the Treasury?

Penny Mordaunt: It will not be recouped by the Treasury. We are increasing support, and obviously our forecasting on the individual benefits that we administer is going up.

Q190 **Chair:** There is £1 billion saving on the changes you are making to this group. Where is the money going?

Alex Skinner: It is quite difficult to trace it exactly, but if you look at the latest forecast from the OBR, you will see spending on personal independence payments is rising by £900 million at the end of the forecast period and is rising over time. Spending on ESA is rising by £800 million and that is rising over time. In the final year of the forecast we are spending an extra £1.7 billion in support of disabled people. That is



HOUSE OF COMMONS

rising over the forecast period, so I would expect, over the forecast period as a whole you are talking about, the Department intends several billion pounds of increased benefit expenditure; that has happened in the budget.

Q191 **Chair:** But it might be a swing away from people who are trying to get back to work, to supporting people with disabilities, might it not?

Penny Mordaunt: I recognise there are two things you are saying. You are talking about identifying the level of support for an individual who would have had this happen to them 12 months ago. We can get you some more information, but I think we can be fairly robust on that. We are looking to extend the reach of programmes. We have already extended access to work and we have plans to do more on that. We are doing another review on that.

There are other things we might wish to do on things like Motability and other schemes the Department operates. On the cost of living and understanding the additional costs of disability and the complexities that face someone who is trying to budget at a very unstable time, I am doing some additional work to look at the sorts of judgments the Department should be making about what someone needs, alongside some of the work third parties have done that scope extra costs. I am trying to get more of a focus on that, and more of a link in the Department, when we are producing policy in the future.

Q192 **Neil Coyle:** Will that be delivered at the same time the £30 cut is imposed, or is this much further down the line?

Penny Mordaunt: No, that is separate, but the work I am doing to mitigate the £30 plus the support would all be in place before April.

Q193 **Heidi Allen:** On exactly that point, Penny, I have no reason to doubt you do not mean this with every fibre in your being. I know you genuinely understand the costs this group of people have. I believe that, but I have to speak honestly. I think four months is very ambitious to identify £120 per month savings in those people's outgoings. What is your back-up plan if you do not find it?

Penny Mordaunt: We have other schemes we can look at. We have some locally administered schemes as well as the Flexible Support Fund, but we are making good progress. I know what I need to do and I have put a large amount of resource in the Department behind it, and I can only repeat that the more reassurance I can give on this the better. I am not in a position to outline chapter and verse, but I hope to be soon, and I very much understand what I need to do.

Q194 **James Cartlidge:** We do need to be clear in understanding what the underlying thing is. Whether people agree with it or not, someone may make an argument that if you reduced x benefit as a stick, you might say, "There is now an incentive to work more because you are receiving this," or you may say, "By making this change, this cut, we are



HOUSE OF COMMONS

supporting other benefits,” which you effectively have just stated, unless I am very much mistaken. We need to be clear in understanding that. Can you go back and clarify that, please? Where is the money, over and above the money spent on support—as in if you are proactive, helping people to get work—going within the benefit system?

Alex Skinner: I was only trying to make the point, in response to the question of whether there was a reduction in spending by the Department on disability, that we were spending more on ESA and on PIP. It is the case that a lot of people who receive PIP also receive ESA, but I can’t disentangle it for an individual. All I was trying to say was, at a departmental level, if you looked at expenditure on disability that had—

Q195 **James Cartlidge:** But if this was being implemented and it was saving this amount here, which is substantially more than the cost of the additional support, that is funding something somewhere else in the Department—for example, state pension, or aspects of other benefits. From a pure accountability point of view, we would like to see that clarity.

Penny Mordaunt: We can give you that, and we can give you some more detail on that, but there is not a cross-subsidy into that. The 13 measures are the 13 measures, but there are other things that would be supporting those individuals, extending the reach of other things that we do, and it is probably an impossible task to identify that for every individual. But in terms of what we are spending on this group of people and disabled people, that is going on.

Q196 **Mhairi Black:** I just want to say to the Minister that I completely support any new support that can be given to disabled people. I understand you can support lots of people and help their lifestyles, but you cannot incentivise people to get healthy. That is something that is becoming very clear from all the evidence you are seeing here, so I just ask the Minister to please go away and—

Penny Mordaunt: But that is not my position.

Q197 **Mhairi Black:** The Government’s justification is that they will cut ESA to incentivise people to work. You cannot do that with people who are unhealthy.

Penny Mordaunt: I have been very clear at the Dispatch Box on this. There have been policy developments people have discussed in the past, those reports you asked me to list and I could list them. I am of the view that if we want people to be successful they need to be supported, they need to be able to focus on their health and recovery and they need to be able to focus on the things they need to do to prepare for work. That is absolutely clear to me and that is what I am basing my actions on, which is why I am doing additional things over and above the additional money that was put into the Flexible Support Fund for these individuals and the other things that have been put in place previously to mitigate this. You do not have to make any requests of me that way because I do—



HOUSE OF COMMONS

Q198 **Mhairi Black:** The cuts can have a detrimental effect and impact on individuals' health to the point where anxiety gets worse, the patient gets worse, all these things that are already preventing many people from entering the workplace. Surely that defeats the whole purpose of trying to support people.

Penny Mordaunt: I am on exactly the same page as you but I need to continue the support and I have to find another way to cover off those concerns. We have to do both. If we want to help these people we have to do both.

Q199 **Neil Coyle:** One of the highest costs identified for many disabled people is inaccessible public transport. Who are you working with to cheapen public transport for these people you are cutting money from?

Penny Mordaunt: There are national schemes but there are also locally-administered schemes. Cutting transport costs is good. That is one of the things that has been on offer for quite some time, so that is both things the Flexible Support Fund can pay for but also there are enormous numbers of local schemes that do that. The things I am looking at are the things that are not directly related to work such as energy costs, broadband, phones—

Q200 **Neil Coyle:** Specifically in relation to transport, you are saying no one is?

Penny Mordaunt: No. We are working with tens of companies but a lot of those schemes already exist. There are, for example—

Q201 **Neil Coyle:** So does the additional cost that disabled people experience exist right now, whether those schemes exist or not. You are not saying what you are going to change.

Penny Mordaunt: Yes, I am. I will outline it for you. You have asked me a particular question on transport costs. Transport costs as of today are very well catered for. They are something that the Flexible Support Fund can pay for. There are also—

Q202 **Neil Coyle:** That is to and from job interviews or work, is it not?

Penny Mordaunt: Yes, but—

Neil Coyle: So not for—

Penny Mordaunt: Please let me finish. But both national and local schemes are usually about if someone is on a particular benefit and they can use it not just for getting to and from work. They can use it for other things as well. We are pursuing all angles. We are pursuing transport, energy, all sorts of other things. But I am saying to you the transport issue is fairly well catered for. I am doing some additional things and we are talking to energy suppliers, mobile phone companies and broadband suppliers. We are going into the detail of how, for example, a disabled person would access those things and we are trying to—

Q203 **Neil Coyle:** You have talked about some of those. Can you remind me



HOUSE OF COMMONS

specifically how many disabled people who are receiving DLA mobility payments will lose access to the Motability programme under existing changes to DLA?

Penny Mordaunt: The number of people who have access to Motability is going up.

Q204 **Neil Coyle:** How many people who are moving from DLA to PIP will lose access to Motability, because the Department has modelled this?

Penny Mordaunt: There are two things I would say on that. In addition to the fact that—

Neil Coyle: Just the numbers would be useful.

Penny Mordaunt: Okay, we can dig those out. But I would say to you, and I have said this again in Parliament, that I wish to do more with the Motability scheme both in terms of enabling people to continue to use it and also ensuring it is good value for money. There are many things we can do with that scheme and I hope to be able to make some announcements on that very shortly.

Chair: On that note we are going to end. Thank you very much and thank your team very much.