



Department
for Work &
Pensions

Minister for Social
Mobility, Youth and
Progression
Mims Davies MP
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Rt Hon Sir Stephen Timms MP
Chair, Work and Pensions Select Committee

14 December 2022

Dear Stephen,

Thank you for your letter dated 16 November on behalf of the Work and Pensions Select Committee, regarding concerns around DWP's estate plans and potential redundancies. I am replying as the Minister who has responsibility for the DWP estate transformation programme, alongside our Minister for the Lords, Debbie Stedman-Scott.

On 17 March 2022 the Department set out its plans to rationalise the estate for the future delivery of its back-office functions, as part of a 10-year programme. This will result in a smaller estate, with fewer but larger offices, also enabling investment in the remaining estate to make it better, greener and support service modernisation and efficiency.

For context, the Department has surpass capacity within its estate, with space for an estimated 158,000 colleagues against a requirement for c.90,000. The Programme will deliver significant gross savings of £3.5 billion over a 30-year period, with ongoing annual savings of around c£80m – c£90m being realised from 2028/29.

By reducing the estate, consolidating back-office service delivery functions into offices accommodating upwards of 300 people, where possible, the Department can increase its resilience, but also achieve value for money for the taxpayer.

Many older buildings are not energy efficient or equipped for the future; moving to fewer, larger sites that are more efficient, and better designed makes them more sustainable and healthier, more pleasant places for our people to work in. It will create

and maintain job opportunities by preserving a geographically dispersed network, and these place-based decisions will drive regional investment and regeneration. Larger multi-functional locations allow colleagues a broader career path with more opportunities given a wider range of job roles are undertaken in larger buildings.

The Department recognises this change has a significant impact on its people and it has been very clear that this is not about reducing headcount. Every effort has been made to identify suitable alternative locations so that colleagues can move with their role wherever possible.

For those colleagues who are unable to move to another suitable DWP location, where one was identified, or where no alternative site is available, colleagues were issued with a letter and a redeployment pack that explains what this means for them (that they were 'at risk' of redundancy and an indication of next steps such as redeployment activity and support). We continue to prioritise and maximise efforts to redeploy those colleagues through regional redeployment panels and via close engagement with other government departments.

As a responsible employer, DWP is exploring all options as we work towards site exits and lease end dates, working closely with impacted colleagues as Voluntary Redundancy (VR) might be an option for some, depending on their personal circumstances and the outcome of redeployment activity.

In terms of the specific questions:

1. Across the closing offices, what proportion of staff are at risk of redundancy?

Of the 8,400 colleagues impacted who are based in offices that are closing, circa 685 have accepted an offer of Voluntary Redundancy, and circa 430 are currently at-risk of redundancy. Efforts to retrain, retain and redeploy these colleagues wherever possible, either within DWP, or with other Government departments are ongoing.

2. How many staff have been, or will be, retrained and redeployed to other areas of DWP, or other Government Departments?

As of 15 November 2022, 256 colleagues have been successfully redeployed within DWP or with another Government Department. This is in addition to the over 5,200 colleagues who are moving with their role to an alternative DWP site.

3. What impact is DWP's hybrid working policy likely to have on the number of redundancies? For instance, will staff offered the option to work in an office at some distance from their home, be able to work remotely for part of the time?

Of the 41 sites closing, 28 have another suitable DWP office in their vicinity, and colleagues have been offered a move to the alternative location. This includes the offer of hybrid working.

Following around 6,600 one-to-one discussions, around 80% of impacted colleagues have agreed to move to the alternative DWP site, including some colleagues being prepared to travel outside their contracted mobility. This is a strong indication that

hybrid working supports DWP's retention of skills and capability and offers flexible and more inclusive workplaces that can adapt to the needs of employees and our customers.

4. How is the Department ensuring that the specialist skills and experience at Phoenix House are retained? How many staff working on Industrial Injuries Disablement Benefit will continue their current work in a different location. How many are among the 39 being considered for redundancy?

Industrial Injuries Disablement Benefit (IIDB) is already delivered by experienced teams in three sites and the work currently undertaken at Barrow-in-Furness will be delivered from our other IIDB teams, based in Barnsley and Bradford.

Over the coming months this means the Department will be able to deliver, without any interruption, the same high-quality level of service for all IIDB customers. Disputes and Appeals work has been co-owned by Barrow and Barnsley for some time, and with it the shared knowledge and skills of the staff.

On 8 November 2022, a Voluntary Redundancy (VR) scheme was launched at Phoenix House for 39 colleagues and 38 currently remain 'at risk'.

The Department continues to actively support staff at Phoenix House and wherever possible will look to retain as many people as possible, either within DWP, or by identifying vacancies in other Government departments in the area. There has already been positive engagement which has identified a number of suitable opportunities.

It is important to reiterate that the announcements made in March this year were not about reducing headcount. Redundancy will be a very last resort after all efforts to retain, retrain and redeploy colleagues, either within DWP, or other Government Departments in the area, have been exhausted.

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Mims Davies MP

Minister for Social Mobility, Youth and Progression



Work and Pensions Committee

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Guy Opperman MP
Minister for Employment
Department for Work and Pensions

From the Chair

16 November 2022

Dear Guy,

Congratulations on your recent appointment as the Minister for Employment. We wish you all the best in the role and look forward to working with you over the coming years.

I am writing to share our concerns about the potential redundancies for DWP staff working at offices which are set to close. We have heard that over 1200 staff are now at risk of redundancy due to the closure of 41 offices. In [earlier correspondence](#), dated 26 May 2022, the previous Minister for Employment said:

Where possible, staff in offices due to close are being offered opportunities to be redeployed, or retrained into a new role in DWP, or another Government Department. This is alongside DWP's effort to utilise its hybrid working policy to help facilitate more inclusive workplaces, which are capable of adapting to the needs of employees and the Department.

In June 2022, the previous Minister for Employment [told the House](#) that "voluntary redundancy is the absolute last resort" and "all efforts are to retain, retrain and redeploy both within DWP and in all other Government Departments." In the light of that statement, I would be grateful for answers to the following questions.

- 1. Across the closing offices, what proportion of staff are at risk of redundancy?**
- 2. How many staff have been, or will be, retrained and redeployed to other areas of DWP or other Government Departments?**
- 3. What impact is DWP's hybrid working policy likely to have on the number of redundancies? For instance, will staff offered the option to work in an office at some distance from their home, be able to work remotely for part of the time?**

We had previously shared our concerns regarding DWP team at Phoenix House in Barrow on Furness, given their considerable expertise in handling claims for Industrial Injuries Disablement Benefit, common for sufferers of asbestos-related illnesses. We are concerned to hear that there are 39 roles at risk at this site. The previous Minister had told us that

“Where the work currently undertaken at Phoenix House is ongoing it will be redistributed to other locations across the national network in that business area, including Bradford (Ambler Mills) and Barnsley (John Rideal House), and delivered to the same high quality and level of expertise. [...] I would like to reiterate that this is not a plan to reduce the Department’s headcount.”

4. How is the Department ensuring that the specialist skills and experience at Phoenix House are retained? How many staff working on Industrial Injuries Disablement Benefit will continue their current work in a different location. How many are among the 39 being considered for redundancy?

It would be helpful to have your reply by Monday 28 November 2022.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stephen Timms', with a stylized flourish at the end.

Rt Hon Sir Stephen Timms MP
Chair