



Department  
for Work &  
Pensions

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**Rt Hon Sir Stephen Timms MP**  
**Chair, Work and Pensions Committee**  
House of Commons  
Palace of Westminster  
London  
SW1A 0AA

*Sent electronically*

31 January 2023

*Dear Sir Stephen*

I am writing to follow up on the points agreed during the ARA session on 11 January and in response to your letter of 18 January.

### **Flexibility in the recovery of overpayments or debt**

David Linden asked that I set out how we signpost to customers that they can ask for flexibility when the Department approaches them, with particular reference to the letters we send. When a customer is notified of an overpayment, they are advised to contact us if they would struggle to make their repayment. Customers are also notified of deductions, giving them a further opportunity to contact us to negotiate a more affordable rate. I have asked officials to strengthen this message and ensure consistency across all notifications, and other customer facing channels such as Gov.uk.

We have a well-established process for working with customers to support them to manage any debts. Parliament has capped the amount that can be deducted to recover an overpayment, as well as the order in which deductions can be made. This cap should be seen as a proxy for an affordability test; indeed, the reductions in the cap have been a response to concerns about affordability raised by the Committee. The cap also means that not every claimant will repay an overpayment at the maximum rate. Other, higher priority, deductions may mean there is insufficient benefit available within the cap and, as a result, the overpayment deduction is reduced or even suspended. There is a priority ranking of deductions. This means that should a customer's UC entitlement be subject to multiple deductions, these will be applied in order of priority and where these cumulate to reach the 25% cap, some will not be taken.

Our policy on debt recovery is clear. We remain committed to working with individuals who are struggling with their repayment terms and encourage anyone who cannot afford the proposed rate of repayment to contact us. You asked for assurance that these difficult conversations are handled effectively and consistently. Guidance to our agents sets out that negotiations are based on the individual circumstances and not the amount owed. Our priority is to agree an affordable and sustainable repayment plan and this is set out in the Repayment Negotiation Framework published on Gov.uk. Quality assurance checks including call listening are carried out to ensure we continue to meet service standards.

13% of our customers currently have repayment terms they have negotiated with us, and we have recently extended the time period for any reduced repayment to remain in place. Cases involving fraud aside, there is no minimum amount that a customer has to pay.

### **Section 23 Agreement**

I want to take this opportunity to reassure you that we are working closely and constructively with the EHRC and have entered a phase of advanced discussions. We continue to correspond and are meeting regularly with EHRC in order to work through details and activities that are being considered for the Section 23 agreement and to progress this matter at pace.

The legal framework within which we are working, and the contents of those discussions are confidential. It is therefore not appropriate to share specific details of every contact, correspondence or meeting that has taken place between the Department and the EHRC as this remains a confidential and collaborative process between our two organisations. We do, however, wish to reiterate that discussions are going well and that the Department remains committed to supporting vulnerable benefits claimants. Your question of whether and when we enter into agreement is clearly a matter for both organisations, but as I have already mentioned, there is momentum leading us and EHRC to believe we can conclude an agreement within a reasonable time.

### **LEAP Exercise**

You requested any additional information on how work on the State Pensions LEAP Exercise is being progressed. We continue to process cases across all three cohorts, namely Category BL, Missed Conversions and Category D. Our approach to prioritisation remains the same. We are prioritising cases of those who are alive over cases where the claimant is deceased. Amongst cases where the claimant is alive, we have focussed on people who we have identified as most vulnerable, namely the over-80s and those who appear to have been affected by more than one type of error. We publish updates on progress of the LEAP exercise on a regular basis, and the next publication is due around the time of the spring fiscal event.

### **Cost of temporary job centres**

The actual running costs (rent, rates, facilities management and security) for the temporary jobcentres was £112.8m for 2021-22.

### **Delivering our plan for DWP Excellence**

In the hearing I mentioned the Serious Case Panel (SCP), Internal Process Review (IPR) and our Advanced Customer Support Service Leads (ACSSLs), all developed as

part of our Plan for Excellence. We discussed how Amanda Reynolds, DG for Service Excellence, is transforming and embedding quality in everything that we do. However, I thought helpful to set out some further detail which illustrates the original funding allocation for The Excellence Plan and importantly, how it has become part of the DNA of DWP through our ongoing operations.

In the 2019 Spending Review, DWP received £106 million for financial year 2020-21 to implement the Excellence Plan. This included an additional £40 million for discretionary housing payments, £36 million to allow more time for decision-makers in various benefit lines, and additional funding for a series of new initiatives, including developing the work of the Serious Case Panel, supported by a new Internal Process Review Group, and appointing new Advanced Customer Support Senior Leads (ACSSLs). Progress on each of these activities is included within our annual report and accounts. As I said in the hearing, because of Covid, the department had to reprioritise its operations in March 2020. Nevertheless, some examples of the improvements under the Excellence Plan include the following:

- Our ACSSLs support and coach frontline colleagues responding to the complex needs of customers and improve DWP's relationships with other organisations that provide support to our most vulnerable customers;
- The IPR process has improved, and the referral criteria amended to increase the learning from cases. The IPR team has expanded, and the department has invested in training to develop our colleagues' ability to thoroughly investigate cases;
- The Internal Process Review Group was established to increase oversight of IPRs at a more senior level and consider the interim findings of individual IPRs;
- The SCP now meets quarterly to consider systemic themes and issues that have arisen across DWP service lines. One positive impact of the SCP has been changes made in November 2021 to the guidance on administering large payments to those customers who may face challenges receiving or handling such payments, as a result of declared or known complex needs;
- Providing extra time to decision makers to implement more holistic decision making leading to improved decisions as early as possible. If decision makers are unsure, they are empowered to take more time and contact the claimant to ask for more evidence;
- In July 2020 we changed to a single tier complaints model to make the customer journey quicker and simpler, including additional support for customers with complex needs;
- Development of a Mental Health Learning package incorporating the department's 6 Point Plan;
- Creation of the Customer Experience Directorate to strategically support our most vulnerable customers.

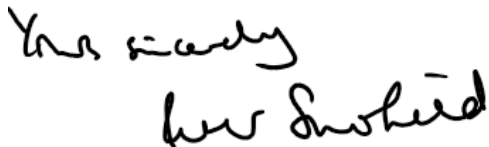
### **Number of unemployed young people**

The latest figures published on 17th January 2023 show that 461,000 young people aged 16-24 were unemployed in September-November 2022. This is up 89,000 on the previous quarter but down 52,000 on pre-pandemic levels. The current youth unemployment rate is 11.1%.

DWP continue to support young people, for example, through the DWP Youth Offer. This provides individually tailored work coach support to young people aged 16 to 24 who are in the Universal Credit Intensive Work Search group. This includes:

- Intensive support during the first 13 weeks of a claim through the Youth Employment Programme. Work coaches help young people access the right opportunities for them including Sector-based Work Academy Programmes (SWAPs), work experience and apprenticeships, so they can move into work quickly;
- Youth Hubs across Great Britain which bring together employment support from a Jobcentre Plus work coach and place-based support from local partnerships to help young people into work. The support offered in a Youth Hub is dependent on local needs, but examples include skills, training, and employment provision, alongside a range of dedicated support services such as mental health, housing and debt management delivered by local partners;
- Youth Employability Coaches (YECs) who are helping young people overcome barriers to employment such as homelessness, addiction, and other complex needs, as well as offering 6 weeks of in-work support once they move into work. YECs work closely alongside Disability Employment Advisors to support those with disabilities and health conditions, and partner organisations who can provide specialist advice.

This means that whatever their needs, young people will be guided towards the most appropriate support, education, or training to enable them to enter sustained employment and progress in their careers.

A handwritten signature in black ink, reading "The steady her Schofield". The signature is written in a cursive, slightly slanted style.

**Peter Schofield CB**  
Permanent Secretary



## Work and Pensions Committee

18 January 2023

**Peter Schofield**  
**Permanent Secretary**  
**Department for Work and Pensions**  
(By e-mail only)

Dear Peter,

I am grateful to you, Catherine Vaughan and Neil Couling for appearing before the Committee on 11 January.

There were some points on which you undertook to provide us with further information and some on which we would appreciate more or updated detail. We would therefore be grateful if you could answer the questions set out below by Wednesday 1 February. Question numbers refer to the [transcript of the evidence you gave to the Committee on 11 January](#).

### **Flexibility in the recovery of overpayments or debt**

During the session David Linden discussed with you flexibility the Department has in the event that an individual would struggle to repay the amounts requested and how you signpost to customers that they can ask for flexibility when the Department approaches them. You undertook to follow-up separately on how this is done, particularly in relation to letters that are sent out. (Qq26–27).

You also discussed with Neil Coyle the information the Department holds on the number of claimants who have an arrangement to reduce the rate of debt recovery. You explained that 13% of people receiving deductions are paying less because of a conversation with the Department and you were confident that a deduction would be granted if the current payment plan was not affordable. Please could you set out what assurance processes the Department has to ensure such conversations are handled effectively and consistently.

### **Section 23 Agreement**

Debbie Abrahams asked you for an update on progress in relation to the Section 23 Agreement (Qq68–72). While we acknowledge that you cannot share the “specifics of what [you] are talking about”, the Committee would be grateful if you could set out:

- how many meetings, by month, you have had with the EHRC on this issue since the notice was issued;
- how many meetings you have planned for the rest of this financial year; and
- whether the department expects to reach an agreement by the end of this financial year?

### **LEAP Exercise**

In response to Siobhan Baillie’s question on the LEAP exercise and prioritisation, you offered to write with further information, we would be grateful for any additional information you can provide on how they work is being progressed. (Qq 80–81)

### **Cost of temporary job centres**

David Linden also asked about the actual and average costs to the Department of the temporary job centres—information previously not provided on grounds of commercial confidentiality. Neil Couling indicated in the session that he believed you would now be able to supply that information to the Committee. We would be grateful for this information. (Qq92–95)

### **Delivering our plan for DWP Excellence**

During the evidence session I asked you about the document “Delivering our plan for DWP Excellence” you undertook to write to us with information on what became of the plan. It would be helpful to have a list of the actions taken under that plan, their resulting impacts, any elements of the original plan which have not been implemented and the funding that was used as a result of the plan. (Qq 97–101)

### **Number of unemployed young people**

At the end of the session, in response to a question to Neil Coyle you offered to write to the Committee with the most recent statistics on the number of young people who are unemployed. We would be grateful if when answering this if you could also set out what steps you are taking to specifically tackle youth unemployment.

Yours sincerely,



**Rt Hon Sir Stephen Timms MP**  
**Chair, Work and Pensions Committee**