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The Committee of Public Accounts

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Contents

| | |
|---|-----------|
| Summary | 3 |
| Introduction | 4 |
| Conclusions and recommendations | 5 |
| 1 The Department's response to the pandemic | 9 |
| Designing the employment support schemes | 9 |
| Risk of a second surge of new claimants | 11 |
| The differing impact on different groups | 11 |
| Being transparent about performance | 12 |
| 2 Ensuring people get the support they need | 14 |
| Getting claimants the right support | 14 |
| Priority given to getting people into work | 14 |
| Making the most of local knowledge | 16 |
| Formal minutes | 17 |
| Witnesses | 18 |
| Published written evidence | 19 |
| List of Reports from the Committee during the current Parliament | 20 |

Summary

When the COVID-19 pandemic hit, the Department for Work and Pensions (the Department) responded quickly to an unprecedented surge in people claiming benefits, by developing a new programme of employment support initiatives to help prevent long term unemployment. To achieve this the Department drastically increased its spending on employment support programmes from £300 million in 2020–21 to £2.5 billion in 2021–22 and also hired 13,500 new work coaches to support new claimants on the front-line. These work coaches will play a pivotal role in whether the Department’s employment support is a success, through the important decisions they make about what support claimants need from an extensive and growing range of options.

The full impact of the pandemic on the labour market is still not known, but it is clear that the context around the Department’s employment programmes has moved on. The Department, however, has not adapted its programmes or changed its plans. For example, the government’s Plan for Jobs, announced by the Chancellor in July 2020, included the Department’s £1.9 billion Kickstart scheme for young people. At that point, the Office for Budget Responsibility (OBR) was expecting a 10% peak in unemployment in quarter 2 of 2020, and furlough was expected to end in October 2020. The OBR now expects unemployment to peak at 6.5% in the final quarter of 2021, while the furlough scheme will not end until September 2021. The Kickstart scheme, meanwhile, is due to end in December 2021, just as unemployment is now expected to peak.

While the increase in unemployment has not yet been as sharp as feared, some groups have been affected significantly. The impact on young black people has been particularly acute, with unemployment rising to a shocking 41.6% in the last quarter of 2020 compared to an already high 24.5% a year earlier. While the Department’s major new employment support schemes aims to reduce the “scarring” impact of long-term unemployment amongst young people, it is impossible to measure its effectiveness as the Department is not publishing regular performance data, such as the take-up of schemes locally. This makes it difficult for Parliament, local authorities, or others to challenge or work with the Department to improve schemes’ impact. If government truly intends to address the issue of race disparities in unemployment, it should work with the Office for National Statistics to provide more regular statistics on the claimant count and unemployment rates broken down by ethnicity and age.

Introduction

The Department for Work and Pensions (the Department) has an important role supporting people to prepare for work, move into work, and earn more in work. The main way it does this is through its jobcentres, where work coaches assess individuals' needs and may refer them to a range of specialised employment support programmes.

The Department responded to the anticipated rise in unemployment from the COVID-19 pandemic by increasing support available through Universal Credit with a £20 a week uplift, recruiting an extra 13,500 work coaches, and expanding its range of employment support programmes. The Department plans to increase its spending on employment support programmes from £300 million in 2020–21 to £2.5 billion in 2021–22, and to spend around £5 billion on new or expanded schemes by 2025–26.

Two employment support schemes make up the vast majority of this funding. One is the £1.9 billion Kickstart scheme, which aims to create jobs and provide employability support for young people on Universal Credit who may be at risk of long-term unemployment. Kickstart is due to close for new job placements in December this year. The other is the three-year, £2.9 billion Restart scheme, which aims to help people who are already long-term unemployed into sustained employment.

Conclusions and recommendations

1. **The Department designed its employment support programme in response to the pandemic expecting a significantly different labour market to the one that emerged.** It is difficult to understand or predict the full impact of the pandemic on the labour market. As at 31 May 2021, there were still 2.4 million jobs on furlough, and gathering employment data when interviews cannot be collected face-to-face is also more challenging. Nevertheless, the context around the Department's schemes has moved on since the early days of the pandemic. The Kickstart scheme, for example, was announced as part of the government's Plan for Jobs, which the Chancellor announced in July 2020. At that point, the Office for Budget Responsibility (OBR) expected unemployment to peak at 10% in Q2 2020 and furlough was expected to end in October 2020. The OBR now expects unemployment to peak at 6.5% in the final quarter of 2021, furlough will not end until September 2021, and the Office for National Statistics reports that job vacancies in most industries are now above their pre-pandemic levels. However, the Department remains committed to funding 250,000 Kickstart job-starts by the end of December 2021, closing it to new applicants at the point unemployment is expected to peak.

Recommendation: *The Department should monitor the emerging impact of the pandemic on the labour market closely and adapt its programmes quickly as the full impact on different groups becomes clearer, to ensure that it provides employment support where and when it is most needed*

2. **Any second surge in new benefit claims and unemployment as the furlough scheme comes to an end could disrupt the Department's ability to provide employment support.** At the start of the pandemic, the Department moved around 10,000 extra staff into claim-handling roles to respond to a surge which reached over 100,000 new claims a day at its peak. The Department has also hired 13,500 new work coaches and in doing so has returned work coach caseloads to pre-pandemic levels. The Department believes that it is now better equipped to respond to any further wave of benefit claims when furlough ends and that it could again respond by diverting resources towards benefit administration. However, the Department effectively switched off many of the usual conditions attached to people's benefits entitlements to manage the first surge in claims, meaning claimants could not meet their work coach, and employment support was not provided. Responding in this way in the event of another claimant surge may not be an option: if people are expected to return to work once furlough ends, the Department will reasonably be expected to maintain its employment support offer.

Recommendation: *By October 2021, the Department should write to us with an explanation of how its contingency plans will ensure it can continue to provide its employment support alongside administering new claims in the event of a second surge in new claims, and avoid the scarring effect of unemployment and disruption to the recovery.*

3. **We are concerned that the Department does not know why the unemployment impact of the pandemic has hit groups such as young people from minority ethnic backgrounds harder.** In March 2021, the Office for National Statistics produced striking statistics showing unemployment for young black people aged 16–24 had

increased from 24.5% in the period October-December 2019 to 41.6% over the same period in 2020, while unemployment for young white people increased from 10.1% to 12.4%. The Department could not readily explain this shocking inequality. The Department has relatively few programmes targeted directly at people from minority ethnic communities, and instead expects work coaches and providers to tailor their national programmes to individuals. Shortcomings in the Department's data on diversity and disadvantage among Universal Credit claimants presents a potential barrier to evaluating the effectiveness of its schemes for different groups robustly. The Department also lacks unemployment data on other disadvantaged groups such as homeless people and rough sleepers, and people with issues related to drug and alcohol addiction, and it does not have data 'flags' to identify disadvantaged people within the benefit system.

Recommendation:

The Department must obtain good-quality diversity data for all claimants and ensure that its evaluations of all of its employment support programmes include an assessment of the impact for different groups, whether employment support schemes are reaching and working for everyone, and ensuring that no groups are left behind.

The Department should work with the Office for National Statistics to provide more regular statistics on the claimant count and unemployment rates broken down by ethnicity and age. We expect an update on this work when the Department next appears before us in September.

4. **The Department's focus on getting people into any form of employment risks neglecting its wider ambitions around supporting disabled people to work and supporting people on low pay to progress.** The Department's current focus is on minimising the impact of the downturn on unemployment, particularly on young people and the long-term unemployed, to reduce the 'scarring' effect of unemployment. Over the longer term, the Department has said it wants to address issues such as social and economic inequalities, health and disability issues, and in-work progression. The Department, along with the Department for Health and Social Care, ran a consultation from July to October 2019 seeking views on the different ways in which government and employers can reduce ill health-related job losses. The Department committed to producing a Green Paper on the topic and this, and the consultation response, were eventually published on 20 July 2021 after we had asked the Department about timings in our evidence session. The Green Paper notes that the long-awaited National Disability Strategy will be published shortly. The Department also established a Commission to review the evidence base and make recommendations around support for people in low-paid employment to progress. This consultation ended in December 2020 and published on 1 July 2021.

Recommendation: *The Department must now use the consultation and the Health and Disability Green Paper to clarify how it will support disabled people and people with health conditions, and publish the National Disability Strategy. The Department must also respond to the recommendations made by the in-work progression Commission to support people in low-pay employment to progress. In*

doing this, the Department needs to set out how it will tackle the long-term effects of the pandemic on the jobs market, disabled people, and in particular those who suffer from long Covid.

5. **The Department is not sufficiently transparent about the impact and take-up of its schemes at a local level.** We recognise that good-quality evaluations can be challenging to deliver, and that measuring the impact of a programme can take years. We are pleased that the Department is developing its plans to evaluate its new support schemes. However, we also know that the Department's evaluations of its employment support for disabled people are behind schedule. Without clear evidence about what programmes are effective, it becomes more difficult for the Department to make informed decisions about how to allocate resources. While the Department does publish some selective statistics on some of its support schemes, these are not sufficiently timely, regular or detailed enough about aspects of performance such as local take-up of schemes to fully serve accountability and public trust.

Recommendation: *The Department should produce a quarterly statistical publication and regular data updates on measures such as the take-up, participation among different groups, and job outcomes of its schemes including at a granular, local level. We will be questioning the Department on what progress it has made when it next appears before us in September.*

6. **The Department does not make the most of local authorities' and employers' in depth knowledge of local needs and priorities.** Experts such as local authorities and employers have in-depth knowledge of local needs and priorities that can make employment support programmes more effective. However, the Department is not using local expertise to the extent that it could, and risks a disconnect between its national view and local stakeholders' priorities. Local authorities value their relationship with the Department and local jobcentres, but have also experienced a lack of clarity on the links between employment and skills provision nationally, short-notice changes to the Department's policy and programmes, and inconsistent engagement with the Department. The Department does not share its 'district provision tool', which lists the employment support provision available within local areas, with local partners, meaning that local partners cannot identify gaps in provision or duplication of effort. The Local Government Association considers that a more localised approach would deliver better outcomes by targeting all funding streams at local communities' needs, while the Co-op group calls for a more collaborative approach between businesses, local education providers and the government.

Recommendation: *The Department should seek regular structured feedback from local authorities and employers on its employment support and:*

- *Involve them in the design and commissioning of schemes;*
- *Publish its district provision tool so others can see and comment on and complement the range of local provision; and*
- *Ensure its employment support meets the needs of the local economy.*

7. **The quality of claimants' experience with the Department and whether they receive the right support will depend on the Department's ability to integrate the additional 13,500 new work coaches into its organisation and manage their performance effectively.** The Department's employment support is mainly accessible to people on benefits via their jobcentre work coaches. Work coaches have considerable discretion to tailor their support to individual claimants, and they need a range of skills and a lot of knowledge to match claimants to the right employment support package. This can even include checking a claimant's business idea and referring them to a mentor for the New Enterprise Allowance scheme, which can provide money and support to help people start their own business. The National Audit Office has previously found that the Department cannot know if it is providing a consistent service over time, or between jobcentres, and that the Department does not systematically gather feedback from claimants on the quality of service they receive. Embedding a very large number of new work coaches and ensuring they offer consistently high-quality services to claimants will be extremely challenging in such a system.

Recommendations:

The Department should commit to undertaking and publishing a full evaluation by the end of 2022 of how well its work coaches provide employment support and how consistently they apply their judgement.

The Department should gather and use systematic feedback on claimant's satisfaction with their work coaches, the service at the jobcentre, and how the jobcentre could be improved.

1 The Department's response to the pandemic

1. On the basis of a report by the Comptroller and Auditor General, we took evidence from the Department for Work and Pensions (the Department) about the employment support it provides to people who need help.¹

2. The Department has an important role in supporting people who need help to prepare for work, move into work, and earn more in work. It does this primarily through its national network of jobcentres, where work coaches aim to assess individuals' needs and identify the support that would work best for them.² Work coaches may refer people to more intensive local provision, such as college courses, or to a range of specialised employment support programmes the Department provides. These schemes include the new £1.9 billion Kickstart scheme for young people aged 16–24, and £2.9 billion Restart scheme for longer-term unemployed people, as well as longer-running schemes such as the Work and Health Programme and Access to Work.³

3. The Department's role in employment support has become even more important during the pandemic. Its support was a key part of the government's Plan for Jobs, published in July 2020, which announced new employment support programmes to help people into work and plans to recruit a significant number of new work coaches, to help combat an expected rise in unemployment.⁴ The Department plans to increase its spending on employment support programmes from £300 million in 2020–21 to £2.5 billion in 2021–22, and to spend around £5 billion on new or expanded schemes by 2025–26.⁵

Designing the employment support schemes

4. At the start of the pandemic the Department faced a significant challenge stemming from a dramatic increase in the number of people claiming benefits, particularly Universal Credit.⁶ From 1 March to 26 May 2020, the Department received 2.4 million household claims to Universal Credit, with a peak of more than 100,000 a day, and the increase in the claimant count rate was far faster than had been seen in previous recessions.⁷ Up to July 2020, the Office for Budget Responsibility (OBR) expected unemployment to peak at 10% in Q2 2020. The Department told us that it developed its initial employment support response in the context of what the OBR was saying about unemployment, while also reviewing its own responses to previous recessions to help plan its response this time around.⁸ This culminated in the July 2020 Plan for Jobs which set out the Department's plans to significantly increase its employment support offer, and its number of work coaches.

1 C&AG's Report, Employment support, Session 2021–22, HC 291, 9 June 2021 (referred to as C&AG's Report hereafter)

2 C&AG's Report, pg 32

3 C&AG's Report, pg 23–24; C&AG's Report, pg 26

4 C&AG's Report, pg 21

5 C&AG's Report, pg 26

6 Q 1

7 C&AG's Report, pg 13

8 Qq 36, 10

5. Despite this initial surge in claimants, however, unemployment rates have not yet increased to the extent that was seen in previous recessions, or to the levels that the Department expected.⁹ The OBR now expects unemployment to peak at 6.5% in the final quarter of 2021.¹⁰ The Department acknowledged that although it based its initial response “on the numbers that we had at the time” that “the peak has shifted to the right and, happily, the peak looks to be lower”.¹¹

6. The pandemic itself, and the government’s wider response, made the Department’s task in collecting and interpreting data on the labour market more challenging. The Department said that restrictions on face-to-face activity have meant that the Office for National Statistics Labour Force Survey, which the Department would “traditionally rely upon” had been harder to produce.¹² The effect of furlough also makes it harder to understand the full impact of the pandemic on the labour market. As at 31 May 2021, there were still 2.4 million jobs on furlough, and the Department recognises that some people, particularly those who are temporarily away from work or unemployed, might not be recording their employment status in the way that is expected.¹³ However, the Department did also tell us that it was able to make “much more use of real-time information data from HMRC than has been the case previously”, and that it had been able to use data from the Universal Credit system “in a much more rapid way”.¹⁴

7. The Kickstart scheme—the Department’s flagship scheme which aims to create additional jobs for people aged 16–24 on Universal Credit who may be at risk of long-term unemployment—shows that this uncertainty may affect the Department’s implementation of its schemes and it is not yet clear how the Department has adapted, or will adapt. Through the Kickstart scheme, the Department aims to create and fund 250,000 additional jobs for young people. Kickstart was announced as part of the Plan for Jobs in July 2020, at which time the Office for Budget Responsibility (OBR) expected unemployment to peak at 10% in Q2 2020, and furlough was expected to end in October 2020.¹⁵ Despite the much lower and later peak of unemployment that the Department now expects, the extension of furlough until September 2021 and the Office for National Statistics reporting that job vacancies in most industries are now above their pre-pandemic levels, the Department has not made any changes to the timing or scale of Kickstart.¹⁶ The Department remains committed to creating 250,000 Kickstart job-starts by the end of December 2021, closing the scheme to new applicants at the point unemployment is expected to peak, and with the busiest months for Kickstart job starts expected to coincide with the reopening of the economy.¹⁷

9 Q 1

10 Q 11

11 Q 1

12 Q 4

13 Q4; C&AG’s Report, pg 7; HM Revenue & Customs, Coronavirus Job Retention Scheme statistics: 1 July 2021, available at: [Coronavirus Job Retention Scheme statistics: 1 July 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-1-july-2021)

14 Q 4

15 Q 16; C&AG’s Report, pg 19; C&AG’s Report, pg 21

16 Office for National Statistics, [Vacancies and jobs in the UK: 15 June 2021](https://ons.gov.uk/peopleinwork/vacanciesandjobs), available at: [Vacancies and jobs in the UK – Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/peopleinwork/vacanciesandjobs)

17 C&AG’s Report, pg 31; C&AG’s Report, pg 22

Risk of a second surge of new claimants

8. In the event of a further surge of claimants when the furlough scheme ends, the Department would need to continue to process new claims for benefits, as well as providing the employment support schemes it is now delivering.¹⁸ During the initial surge in claimants the Department moved around 10,000 extra staff into claim-handling roles, and announced a recruitment drive that has since seen it hire an additional 13,500 work coaches.¹⁹ This recruitment drive has brought the number of ‘intensive work search’ claimants—those claimants expected to complete the most work search activity—that each Universal Credit work coach looks after to levels similar to that seen before the pandemic. The average intensive work search caseload was 115 in February 2020, and after rising to 224 in May 2020 and as high as 424 in Surrey and Sussex, it was at 117 in March 2021.²⁰

9. The Department also effectively switched off many of the usual conditions attached to people’s benefit entitlements early in the pandemic, meaning claimants did not have to demonstrate that they were searching for work to be eligible to receive benefits.²¹ Claimants were also not able to meet their work coach, and employment support was not provided.²² Responding to another surge in claimants in a way that reduces the Department’s overall offering to claimants may not be an option: if people are expected to return to work once furlough ends, the Department will reasonably be expected to maintain its employment support offer. The Department told us that it hoped it could continue to provide employment support and process new claims “without causing an increase in backlogs in other service lines”.²³

The differing impact on different groups

10. The Department does not have complete data on diversity or disadvantage of the people it supports. The National Audit Office reported that in February 2020, before the pandemic, the Department only had ethnicity data for 40% of claims made since January 2017. The Department now has this information for 54% of claims, with 74% of new declarations in March 2021 containing these data.²⁴ Shortcomings in the Department’s data on diversity and disadvantage among Universal Credit claimants present a potential barrier to evaluating the effectiveness of its schemes for different groups robustly.²⁵ The Department also lacks unemployment data on other groups such as homeless people and rough sleepers, and people with issues related to drug and alcohol addiction. The Department believes that these issues may be ‘hidden’ because people do not engage with the Department or disclose their circumstances, and also because the Department lacks data ‘flags’ for disadvantage within its benefits systems.²⁶ Such flags would allow Department staff to record disadvantage in an organised fashion, and to be able to see the extent of such disadvantage in its caseload.

18 Q 9

19 Qq 9, 70; National Audit Office Departmental Overview of the Department for Work and Pensions 2019–20, 13 October 2020

20 Q 10; C&AG’s Report, pg 33

21 Social Security Advisory Committee, Occasional Paper No.24, A review of the COVID-19 temporary measures, available at: [A review of the COVID-19 temporary measures - Occasional paper 24 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/94442/20201020-ssac-24-review-of-covid-19-temporary-measures.pdf)

22 Q 28

23 Q 8

24 Q 23; C&AG’s Report, pg 17

25 Qq 23–25

26 C&AG’s Report, pg 17

11. In March 2021, the Office for National Statistics produced statistics showing that unemployment for young black people aged 16–24 had increased from 24.5% in the period October–December 2019 to 41.6% over the same period in 2020, while unemployment for young white people increased from 10.1% to 12.4%.²⁷ These statistics were an ‘ad-hoc’ release, and are not published on a regular basis. The Department agreed that the findings were “stark”, but was not able to explain such an uneven unemployment impact on different ethnic groups. The Permanent Secretary said that “there were different groups, different demographic groups, different ethnic groups and different communities in the same group. I know there are lots of different issues going on. I think you can generalise on some issues around aspiration, barriers and unconscious bias. There are all sorts of things going on”.²⁸

12. The Department’s current flagship programmes are aimed at youth unemployment, and the long term unemployed. There are relatively few schemes targeted at people from an ethnic minority background.²⁹ The Department did tell us about its 20 challenge areas, which are 20 areas within England, Scotland and Wales with a high ethnic minority population and a high gap between the ethnic minority and white employment rate.³⁰ The Department said that these areas are subject to “targeted action”, which can include working with jobcentres to make sure they are properly equipped, and working with employers to make sure that they understand the opportunities to bring people in from different communities to address issues around unconscious bias.³¹ We also heard about how the Department participates in local initiatives to improve employment outcomes for ethnic minorities.³² Following the session, the Department wrote to us saying where the 20 local authority areas were, and giving further details on some of the activities in those areas.³³

Being transparent about performance

13. The Department explained that it is planning to evaluate the impact of its new schemes, beginning with the Kickstart programme, building on the evaluation work it completed for its previous schemes, which informed its current programme.³⁴ We heard that the Department expects to use methodologies that allow it to separate the effect of its support from the other factors that might have impacted a person’s employment outcome. The Department told us, however, that producing the final results of evaluations of this nature would take several years.³⁵ The Department’s evaluations of its existing employment support programmes for disabled people are already behind schedule.³⁶ The Department told us that some of its randomised control trials, where it tries to assess the impact of its employment support, could not be carried out during the pandemic, so have been paused. The Department told us that this was the case for both the Work and Health Programme, which offers support to disabled people and the long term unemployed, and the Intensive Personalised Employment Support scheme, which offers

27 Q 17; C&AG’s Report, pg 14

28 Q 17

29 C&AG’s Report, Appendix 2

30 Q 18; C&AG’s Report, pg 44

31 Q 18

32 Q 21

33 Letter from the Permanent Secretary to the Chair, 5 July 2021

34 Qq 51–52

35 Q 36

36 Q 52; C&AG’s Report, Supporting disabled people to work, Session 2017–19, HC 1991, 28 Month 2019, Fig 12

personalised employment support for people with disabilities and complex needs.³⁷ The Department said that it was “trying to work out another way of doing the same evaluation”.³⁸ Following the session, the Department wrote to us saying that findings from an externally commissioned evaluation on the Work and Health Programme are expected in Summer 2022, and a synthesis report on an evaluation of the Intensive Personalised Employment Support scheme is expected in 2023.³⁹

14. While the Department publishes selective statistics about some of its support schemes, such as information about the work and health programme, it does not produce regular data on its schemes to allow Parliamentarians or its partners to scrutinise performance in real time, who instead have to wait for formal evaluation results.⁴⁰ The Department said that it would work with us and the National Audit Office to develop regular updates about the success of the new employment schemes it has introduced, and we discussed how these metrics should be clear about what outcomes the support schemes are achieving, and how they should be easy to understand and interpret at a local level.⁴¹

37 Q 61; C&AG’s Report, pg 18

38 Q 61

39 Letter from the Permanent Secretary to the Chair, 5 July 2021

40 Department for Work and Pensions, Work and Health Programme statistics to February 2021, 27 May 2021, available at: [Work and Health Programme statistics to February 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/work-and-health-programme-statistics-to-february-2021)

41 Qq 61–66

2 Ensuring people get the support they need

Getting claimants the right support

15. The Department's employment support is mainly accessible to people on benefits, and they will usually be referred to that support via their jobcentre work coaches. Work coaches have considerable discretion to tailor their support to claimants, including discretion around: the frequency and form of their meetings with claimants; the support to which they refer or signpost claimants; and the expectations that are set in the claimant's commitments. To fulfil their role effectively, work coaches need a range of skills and knowledge to match claimants to the right employment support package.⁴² The Department told us that personal engagement between the work coach and the claimant is very important to ensuring that work coaches understand what a person needs and can direct them to the right provision.⁴³ The expectations of a work coach can even include checking a claimants business idea and referring them to a mentor for the New Enterprise Allowance scheme, which can provide money and support to help people start their own business.⁴⁴

16. The Department told us that a real advantage of delivering employment support through its work coaches is the flexibility that those work coaches have to identify and draw on the right tools to help the claimant. The Department's approach relies on work coaches' ability to provide the right service to claimants, and is not designed to ensure absolute consistency across every interaction with a customer.⁴⁵ However, the National Audit Office has previously found that this means the Department cannot know if it is providing a consistent service over time, or between jobcentres, and the Social Security Advisory Committee has said that the Department should develop a more rigorous approach to ensuring that work coaches apply discretion fairly and systematically.⁴⁶ The National Audit Office has also highlighted that the Department does not systematically gather feedback from claimants on the quality of its services.⁴⁷ The Department responded to the surge in benefit claimants early in the pandemic by hiring an additional 13,500 work coaches. Ensuring that these new work coaches can offer a consistently high-quality services to claimants will be extremely challenging in a system built around individual discretion.⁴⁸

Priority given to getting people into work

17. The Department told us that its "top priority" now is getting people into work through the pandemic, and that it wants to avoid the risk of 'scarring' that unemployment can have on a person's chances of getting a job – particularly young people who may be

42 C&AG's Report, pg 32

43 Q 48

44 Qq 32–33; Government webpage, Help with moving from benefits to work, available at: [Help with moving from benefits to work: Starting or running your own business - GOV.UK \(www.gov.uk\)](https://www.gov.uk/help-with-moving-from-benefits-to-work-starting-or-running-your-own-business)

45 Q 10; C&AG's Report ,pg 32

46 Social Security Advisory Committee, Occasional Paper No.24, A review of the COVID-19 temporary measures, pg 15, available at: [A review of the COVID-19 temporary measures - Occasional paper 24 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/811119/24-19-01-Review-of-the-COVID-19-temporary-measures-Occasional-paper-24.pdf)

47 C&AG's Report, Supporting disabled people to work, Session 2017–19, HC 1991, 28 Month 2019, para 2.6

48 C&AG's Report , pg 34

looking for work without already having work experience.⁴⁹ Over the longer term, the Department wants to prioritise a wider set of issues, many of which were challenges even before the COVID-19 pandemic. These include addressing health and disability issues, and helping people already in work to earn more (which the Department refers to as in-work progression).⁵⁰

18. People with health and disability issues continue to face major challenges in the workplace, including issues around workplace accessibility, negative attitudes, and a lack of assistive technology.⁵¹ In 2017, the Department, alongside the Department of Health & Social Care, set a goal of getting 1 million more disabled people into work in the 10 years to 2027, however the National Audit Office pointed out in 2019 that the movement towards such a goal could not be linked directly to any particular government policy, and that any such movement was likely to be due to more people already in work reporting a disability than more disabled people moving into work.⁵² The Department told us however that it had made good progress towards this goal until the pandemic hit, and that as we come out of the pandemic the Department wanted to “redouble our efforts” to support disabled people.⁵³

19. The Department, and the Department of Health & Social Care, ran a consultation from July to October 2019 seeking views on the different ways in which government and employers can reduce ill health-related job losses.⁵⁴ The Department has committed to producing a Green Paper on the topic and a related National Strategy for Disabled People and told the Work and Pensions Select Committee in May 2021 that the Green Paper was very close to being ready and that, were it not for the pandemic, it would have been launched just before Summer 2020.⁵⁵ After we asked about progress on this in our evidence session, the Department published the Green Paper *Shaping Future Support – The Health and Disability Green Paper*, on 20 July 2021. The Green Paper said that the National Disability Strategy would be published “shortly”, and that this will “outline practical changes to tackle the day-to-day challenges disabled people face” and “set out the Government’s vision to transform the lives of disabled people by tacking action across Government and wider society.”⁵⁶

20. The Department has established a Commission to review the evidence base around in-work progression and make recommendations to better support people in low-pay employment to progress.⁵⁷ This consultation ended in December 2020, and its results were published on 1 July 2021. In the foreword to the publication, the Department committed

49 Q 15, 45

50 Qq 37, 45

51 Q 38; C&AG’s Report, pg 19

52 C&AG’s Report, Supporting disabled people to work, Session 2017–19, HC 1991, 28 March 2019, Para 1.17

53 Q 37

54 Department for Work and Pensions and Department for Health and Social Care consultation, Health is everyone’s business, available at: [Health is everyone’s business: proposals to reduce ill health-related job loss](https://www.gov.uk/government/consultations/health-is-everyones-business-proposals-to-reduce-ill-health-related-job-loss) – GOV.UK (www.gov.uk)

55 Work and Pensions Select Committee session on 19 May 2021, HC 189, Qq 260, 265

56 Q 40–42: Department for Work and Pensions, Shaping Future Support- The Health and Disability Green Paper, 20 July 2021, available at Shaping Future Support- The Health and Disability Green Paper (publishing.service.gov.uk)

57 C&AG’s Report, pg 19

to carefully considering the findings of the Commission.⁵⁸ The Department told us that Universal Credit, and the relationship that claimants have with work coaches even after somebody goes into employment, gives the Department an opportunity to provide better support for people in work than it had previously, and that the increase in the Universal Credit caseload during the pandemic meant that it was an important time to be considering this. The Department told us that this work will become a priority going forward, and that once unemployment is reduced, it would work on getting people into better paid jobs.⁵⁹

Making the most of local knowledge

21. The Department told us that it recognises that the needs of local areas differ, and said that it “is about working closely” with the local authority, local employers and local enterprise partnerships and mayoral combined authorities. We heard that the Department’s approach is for there to be “a national set of schemes and a national set of interventions, and local delivery, which means that [the Department] can then tailor those schemes and draw them together in terms of how they work on the ground.”⁶⁰ However, there is a risk of a disconnect between the national approach the Department is taking to employment support, and the needs of local areas.⁶¹ While noting positive relationships between local authorities and local jobcentres, and the involvement of local authorities in the review process of bids for the Department’s Restart scheme, the National Audit Office report provided examples of how some local authorities feel that the relationship with DWP could be improved. In particular, local authorities want more opportunities for early involvement in the design and commissioning of the Department’s national programmes, they want to be informed in advance of changes to the Department’s central policy so they can ensure their own provision complements rather than duplicates the Department’s, and they want more consistent engagement with the Department, less reliant on individual staff relationships.⁶²

22. We asked the Department whether it could be more proactive in sharing basic information such as its district provision tool—essentially a list of local provision—with partners, so they could see what people were being referred to, and to see if they could plug gaps or offer alternative provision.⁶³ The Department told us that it would “find a way” to do this.⁶⁴ The Local Government Association also told us that it would like local mapping of provision, so that there is a clear picture of how new support schemes will add value to and align with local activity, and the Co-op group said that ‘continuing engagement and co-creation with employers’ should be a key component of the Department’s employment support strategy.⁶⁵

58 Department for Work and Pensions, Call for evidence and good practice on in-work progression, available at [Call for evidence and good practice on in-work progression - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/98422/call-for-evidence-and-good-practice-on-in-work-progression-1-july-2021.pdf); Supporting progression out of low pay: a call to action In-Work Progression Commission, 1 July 2021, available at: [Supporting progression out of low pay: a call to action \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/98422/supporting-progression-out-of-low-pay-a-call-to-action.pdf)

59 Q 45

60 Q 49

61 Qq 69, 73

62 C&AG’s Report, pg 38

63 Qq 82–83

64 Q 87

65 DES0006, Local Government Association submission, page 5; DES0007, Co-op Group submission, para 4.2

Formal minutes

Thursday 22 July 2021

Virtual meeting

Members present:

Dame Meg Hillier, in the Chair

Sir Geoffrey Clifton-Brown Anthony Higginbotham

Mr Mark Francois Kate Osamor

Peter Grant Nick Smith

Draft Report (*DWP Employment support*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 22 read and agreed to.

Summary agreed to.

Introduction agreed to.

Conclusions and recommendations agreed to.

Resolved, That the Report be the Fifteenth of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Thursday 9 September at 9:15am

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Thursday 17 June 2021

Peter Schofield, Permanent Secretary, Department for Work & Pensions;
Jonathan Mills, Director General Policy, Department for Work & Pensions;
Margarita Morrison, Director Work and Health Services, Department for Work & Pensions

[Q1-98](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

DES numbers are generated by the evidence processing system and so may not be complete.

- 1 Bennett, Fran (Senior Research Fellow, University of Oxford) ([DES0004](#))
- 2 City & Guilds ([DES0009](#))
- 3 Co-op Group ([DES0007](#))
- 4 Griffiths, Dr Rita (Research Fellow, University of Bath) ([DES0004](#))
- 5 Local Government Association ([DES0006](#))
- 6 Long Covid Support Employment Working Group ([DES0008](#))
- 7 Millar, Professor Jane (Professor of Social Policy, University of Bath) ([DES0004](#))
- 8 Morris, Charlotte ([DES0012](#))
- 9 The Royal Mencap Society ([DES0010](#))
- 10 Wysocki, Helena (Senior External Affairs Officer, Learning and Work Institute) ([DES0005](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website.

Session 2021–22

| Number | Title | Reference |
|--------------------|---|-----------|
| 1st | Low emission cars | HC 186 |
| 2nd | BBC strategic financial management | HC 187 |
| 3rd | COVID-19: Support for children's education | HC 240 |
| 4th | COVID-19: Local government finance | HC 239 |
| 5th | COVID-19: Government Support for Charities | HC 250 |
| 6th | Public Sector Pensions | HC 289 |
| 7th | Adult Social Care Markets | HC 252 |
| 8th | COVID 19: Culture Recovery Fund | HC 340 |
| 9th | Fraud and Error | HC 253 |
| 10th | Overview of the English rail system | HC 170 |
| 11th | Local auditor reporting on local government in England | HC 171 |
| 12th | COVID 19: Cost Tracker Update | HC 173 |
| 13th | Initial lessons from the government's response to the COVID-19 pandemic | HC 175 |
| 14th | Windrush Compensation Scheme | HC 174 |
| 1st Special Report | Fifth Annual Report of the Chair of the Committee of Public Accounts | HC 222 |

Session 2019–21

| Number | Title | Reference |
|--------|--|-----------|
| 1st | Support for children with special educational needs and disabilities | HC 85 |
| 2nd | Defence Nuclear Infrastructure | HC 86 |
| 3rd | High Speed 2: Spring 2020 Update | HC 84 |
| 4th | EU Exit: Get ready for Brexit Campaign | HC 131 |
| 5th | University technical colleges | HC 87 |
| 6th | Excess votes 2018–19 | HC 243 |
| 7th | Gambling regulation: problem gambling and protecting vulnerable people | HC 134 |
| 8th | NHS capital expenditure and financial management | HC 344 |
| 9th | Water supply and demand management | HC 378 |

| Number | Title | Reference |
|---------------|--|------------------|
| 10th | Defence capability and the Equipment Plan | HC 247 |
| 11th | Local authority investment in commercial property | HC 312 |
| 12th | Management of tax reliefs | HC 379 |
| 13th | Whole of Government Response to COVID-19 | HC 404 |
| 14th | Readying the NHS and social care for the COVID-19 peak | HC 405 |
| 15th | Improving the prison estate | HC 244 |
| 16th | Progress in remediating dangerous cladding | HC 406 |
| 17th | Immigration enforcement | HC 407 |
| 18th | NHS nursing workforce | HC 408 |
| 19th | Restoration and renewal of the Palace of Westminster | HC 549 |
| 20th | Tackling the tax gap | HC 650 |
| 21st | Government support for UK exporters | HC 679 |
| 22nd | Digital transformation in the NHS | HC 680 |
| 23rd | Delivering carrier strike | HC 684 |
| 24th | Selecting towns for the Towns Fund | HC 651 |
| 25th | Asylum accommodation and support transformation programme | HC 683 |
| 26th | Department of Work and Pensions Accounts 2019–20 | HC 681 |
| 27th | Covid-19: Supply of ventilators | HC 685 |
| 28th | The Nuclear Decommissioning Authority's management of the Magnox contract | HC 653 |
| 29th | Whitehall preparations for EU Exit | HC 682 |
| 30th | The production and distribution of cash | HC 654 |
| 31st | Starter Homes | HC 88 |
| 32nd | Specialist Skills in the civil service | HC 686 |
| 33rd | Covid-19: Bounce Back Loan Scheme | HC 687 |
| 34th | Covid-19: Support for jobs | HC 920 |
| 35th | Improving Broadband | HC 688 |
| 36th | HMRC performance 2019–20 | HC 690 |
| 37th | Whole of Government Accounts 2018–19 | HC 655 |
| 38th | Managing colleges' financial sustainability | HC 692 |
| 39th | Lessons from major projects and programmes | HC 694 |
| 40th | Achieving government's long-term environmental goals | HC 927 |
| 41st | COVID 19: the free school meals voucher scheme | HC 689 |
| 42nd | COVID-19: Government procurement and supply of Personal Protective Equipment | HC 928 |
| 43rd | COVID-19: Planning for a vaccine Part 1 | HC 930 |

| Number | Title | Reference |
|---------------|---|------------------|
| 44th | Excess Votes 2019–20 | HC 1205 |
| 45th | Managing flood risk | HC 931 |
| 46th | Achieving Net Zero | HC 935 |
| 47th | COVID-19: Test, track and trace (part 1) | HC 932 |
| 48th | Digital Services at the Border | HC 936 |
| 49th | COVID-19: housing people sleeping rough | HC 934 |
| 50th | Defence Equipment Plan 2020–2030 | HC 693 |
| 51st | Managing the expiry of PFI contracts | HC 1114 |
| 52nd | Key challenges facing the Ministry of Justice | HC 1190 |
| 53rd | Covid 19: supporting the vulnerable during lockdown | HC 938 |
| 54th | Improving single living accommodation for service personnel | HC 940 |
| 55th | Environmental tax measures | HC 937 |
| 56th | Industrial Strategy Challenge Fund | HC 941 |