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**Dame Meg Hillier**  
**Chair**  
**Public Accounts Committee**  
House of Commons  
LONDON  
SW1A 0AA  
*Sent electronically*

6 October 2021

*Dear Meg*

## **DWP FOLLOW UP TO THE PUBLIC ACCOUNTS COMMITTEE HEARING ON 9 SEPTEMBER 2021**

I would like to thank you for inviting Neil Couling, Bozena Hillyer and myself to the Public Accounts Committee on 9 September 2021 to discuss fraud and error in the benefits system.

During the hearing, we agreed that I would write to you to provide additional information on three points. I have addressed each of these below:

*The Chair asked (Q3) Peter Schofield to write to the Committee with an update concerning the unemployment rate among young black people aged 16 to 24 and what steps the Department are taking to resolve the matter. The Chair also asked (Q3-4) the Permanent Secretary to inform her when the Committee will be able to examine the Department's evaluations of its main job programmes and the data concerning ethnicity.*

### **Response**

When I gave evidence at the hearing on employment support in June, we discussed the support we provide to young black people, in the light of the statistic in the NAO Report of 41.6% unemployment among these communities. You will recall during the hearing on 9<sup>th</sup> September that I referenced more recent data which indicated black youth unemployment had since fallen to 22%. I am happy to provide further detail on this data and how DWP is supporting young black people.

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Estimates of the level and rate of unemployment are compiled by the Office for National Statistics (ONS) using the Labour Force Survey and Annual Population Survey (APS). The LFS provides national and regional unemployment estimates while the APS combines data from the LFS with additional sampling. The APS thus has larger sample sizes and allows for more disaggregated breakdowns. It also provides for a less volatile data set in comparison to the LFS.

The latest estimates published by the ONS on the number of young people aged 16-24 in unemployment, broken down by ethnic group, is for the period Q4 2020. This indicated unemployment amongst young black people had reached 41.6%. This was a data request release and as such has not been updated with more recent figures. The ethnicity facts and figures webpage has not yet been updated with 2020 data due to ONS reweighting of the data. The figure I quoted was based on our own analysis of more recent data. We are discussing this with the NAO to ensure they are content this is consistent with the figure used in their report. We are also discussing with the ONS the possibility of publishing more recent LFS/APS figures and ways in which the ONS might collect more comprehensive data on a more regular basis.

In terms of our support for young black people, DWP work with a range of partners and employers, delivering a comprehensive package of support for young people, including young black people. Our Plan for Jobs is playing an important role in giving young people from all backgrounds the right support that will ultimately lead to sustained employment opportunities and career progression. This includes the DWP Youth Offer and the Kickstart Scheme.

The DWP Youth Offer is available for all 18 to 24 year olds making a claim for Universal Credit and who are in the intensive work search group. It provides wrap-around support through the 13-week Youth Employment Programme, to help young people to move into work-related provision or a job. This sits alongside the Youth Hubs which are co-located and co-delivered with external partners to support young people with skills gaps, and the Youth Employability Coaches supporting those with significant complex needs and barriers. We also have a national programme of mentoring circles, involving employers offering specialised support to unemployed, young ethnic minority jobseekers.

In addition, Kickstart is providing funding to create new jobs for 16 to 24 year olds on Universal Credit who are at risk of long term unemployment. We are encouraging organisations that work with disadvantaged young people to take part in Kickstart. This can include acting as gateway organisations for employers in their networks to take part in the Kickstart scheme. This will help ensure that young people with from black and ethnic minority backgrounds, as well as young people that could be experiencing other disadvantages, are able to access Kickstart.

The Work and Health Programme, Restart and Kickstart evaluations are each conducting, or planning, large-scale surveys of participants which will include questions on the ethnicity of participants. We also plan to conduct a survey with people who did not participate in Plan for Jobs policies to explore their experiences, which will include a question on ethnicity. These surveys may enable us to explore the experiences of specific ethnic minorities, subject to receiving sufficient responses from members of those groups. We expect to have findings from the Work and Health Programme evaluation during 2022. Restart, Kickstart, and non-participant evaluation findings will

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be available in later years, after the tracking periods for those evaluations have completed and the analysis is completed to a sufficiently high standard.

Richard Holden MP asked the Department (Q30-33) to write to us with a breakdown of the official error numbers for underpayments and overpayments for all DWP benefits, both figures and percentages.

**Response**

The breakdown of the official error numbers for both under and over payments is shown in Annex A.

Both the Chair and Antony Higginbotham MP asked (Qs74-80) the Department to write to the Committee with an update concerning stockpiled debt recovery referrals and the £200 million in businesses that have not been transferred across into debt. Mr Higginbotham wanted to know how much of the £200m was still sitting in business.

**Response**

Of the £200m that was stockpiled at March 2021, £51m is currently outstanding in the business, and we are actively pursuing routes to deal with the outstanding debt.

Yours sincerely  
Peter Schofield

**Peter Schofield CB**  
Permanent Secretary

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**ANNEX A**

**Estimates of Official Error underpaid by benefit, as a monetary amount and as a rate of expenditure - 2020/21**

		FYE 2021	
	Expenditure (£m)	Monetary Amount Underpaid (£m)	Rate of Expenditure Underpaid (%)
All Benefits	211,700	900	0.4
<hr/>			
Benefits reviewed this year			
Universal Credit	38,200	140	0.4
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Benefits Reviewed In Previous Years			
State Pension	101,200	310	0.3
Housing Benefit	17,300	80	0.4
Employment and Support Allowance	13,400	210	1.6
Personal Independence Payment	13,600	90	0.7
Pension Credit	5,100	50	1.1
Jobseeker's Allowance	1,000	10	1.2
Income Support	1,100	0	0.3
Incapacity Benefit <sup>note 1</sup>	0	0	0.7
Disability Living Allowance	5,800	10	0.1
<hr/>			
Benefits never reviewed			
Unreviewed	12,100	40	0.3

**Source**

[Fraud and Error in the benefit system statistics](#)

**Notes**

All percentages in the tables are rounded to the nearest 0.1%. All expenditure values are rounded to the nearest £100m. All headline monetary estimates are rounded to the nearest £10m, except the All Benefits category which is rounded to the nearest £100m. Some estimates may not sum to totals due to the rounding.

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The monetary amounts and rates of expenditure included in these tables are central estimates.

[More information on estimate calculation can be found in the background information and methodology note.](#)

Due to the coronavirus (COVID-19) pandemic, only Universal Credit had a full fraud and error review in FYE 2021. State Pension was also reviewed for Official Error as normal.

For benefits reviewed in previous years, the percentages of fraud and error found in previous years have been rolled forward, and applied to the FYE 2021 expenditure for each benefit, to produce the amounts of fraud and error for FYE 2021.

No monetary values were associated with Carer's Allowance underpayments (expenditure £3.1 billion).

<b>Footnote number</b>	<b>Footnote text</b>
note 1	Monetary values associated with Incapacity Benefit are displayed as zeros due to rounding.

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### Estimates of Official Error overpaid by benefit, as a monetary amount and as a rate of expenditure - 2020/21

		FYE 2021	
	Expenditure (£m)	Monetary Amount Overpaid (£m)	Rate of Expenditure Overpaid (%)
All Benefits	211,700	800	0.4
<hr/>			
Benefits reviewed this year			
Universal Credit	38,200	330	0.9
<hr/>			
Benefits Reviewed In Previous Years			
State Pension	101,200	20	0.0
Housing Benefit	17,300	90	0.5
Employment and Support Allowance	13,400	150	1.1
Personal Independence Payment	13,600	20	0.1
Pension Credit	5,100	60	1.2
Carer's Allowance	3,100	0	0.1
Jobseeker's Allowance	1,000	10	1.2
Income Support	1,100	0	0.4
Incapacity Benefit <sup>note 1</sup>	0	0	1.2
Disability Living Allowance	5,800	40	0.8
Interdependencies <sup>note 2</sup>	NA	20	NA
<hr/>			
Benefits never reviewed			
Unreviewed	12,100	60	0.5

### Source

[Fraud and Error in the benefit system statistics](#)

### Notes

All percentages in the tables are rounded to the nearest 0.1%. All expenditure values are rounded to the nearest £100m. All headline monetary estimates are rounded to the

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nearest £10m, except the All Benefits category which is rounded to the nearest £100m. Some estimates may not sum to totals due to the rounding.

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For benefits reviewed in previous years, the percentages of fraud and error found in previous years have been rolled forward, and applied to the FYE 2021 expenditure for each benefit, to produce the amounts of fraud and error for FYE 2021.

<b>Footnote number</b>	<b>Footnote text</b>
note 1	Monetary values associated with Incapacity Benefit are displayed as zeros due to rounding.
note 2	Interdependencies is the knock on effect of Disability Living Allowance (DLA) fraud and error on other benefits, where receipt of DLA or Personal Independence Payment is a qualifying condition. It is only included for overpayments.