

# Fifteenth Report of Session 2021-22

## Department for Work and Pensions

### DWP Employment Support

#### Introduction from the Committee

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.

Based on a report by the National Audit Office, the Committee took evidence on Thursday 17 June 2021 from the Department for Work and Pensions. The Committee published its report on 8 September 2021. This is the government's response to the Committee's report.

#### Relevant reports

- NAO report: [Employment Support](#) – Session 2021-22 (HC 291)
- PAC report: [DWP Employment Support](#) - Session 2021-22 (HC 177)

#### Government response to the Committee

**1: PAC conclusion: The Department designed its employment support programme in response to the pandemic expecting a significantly different labour market to the one that emerged.**

**1: PAC 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.**

1.1 The government agrees with the Committee's recommendation.

#### Recommendation implemented

1.2 The Department for Work and Pensions (the department) monitors developments in the labour market closely, using a variety of sources, including [Online job advert estimates - Office for National Statistics \(ons.gov.uk\)](#), the [Report on Jobs](#) from auditors Klynveld Peat Marwick Goerdeler (KPMG) and the Recruitment and Employment Confederation (REC), and

the potential redundancies reported to the Insolvency Service. The department does this for different groups, geographics and sectors of the economy.

1.3 Real Time Information on Universal Credit claims combined with timely information on employment from HM Revenue and Customs allows the department to look back at what has happened. Information on furlough numbers, the vacancy position and redundancy notifications enables the department to consider what might happen next. Together all this information allows the department to adapt plans quickly as events require and ensure there is flexibility in its response. The extensive support offered through Plan for Jobs enhances the department's employment support offer and is part of a cross-government response to prioritise, protect and support jobs.

***2: PAC Conclusion: 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.***

***2: PAC 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.***

2.1 The government agrees with the Committee's recommendation.

#### **Recommendation implemented**

2.2 The department [wrote to the committee on 29 September 2021](#).

2.3 During the pandemic the department saw an unprecedented increase in new claims. The department successfully managed this through the introduction of easements, recruitment and Jobcentre Plus estate expansion.

2.4 Furthermore, the department has designed and invested in a resilient, digital service that incorporates automation to allow for surges in claims. The department has made improvements to its caseload management system, enabling work coaches to filter their caseload and provide targeted support based on health conditions, age and employment status. This allows quick claimant referral to targeted support within the Plan for Jobs programmes, such as Kickstart, Restart, the Youth Offer, Sector-based Work Academy Programmes (SWAPs) and Job Entry Targeted Support (JETS).

2.5 Where face-to-face contact was unavailable, the department used alternative channels including telephone appointments, digital interventions and video calls. Work coaches are now conducting more appointments face-to-face in Jobcentres and in new Youth Hubs as capacity in buildings increases. In the event of another increase in claimants, the flexibility the department has built through using telephony and video, expanding its estate and hiring additional work coaches will ensure the department is able to continue to provide support to claimants. As well as encouraging claimants to undertake independent work search, through signposting to services such as JobHelp, the department is currently exploring further ways of using technology to help people switch sectors via a Job Matching pilot.

2.6 The department will continue to monitor the situation closely as furlough has come to an end and the department is satisfied with its level of preparedness.

**3: PAC Conclusion: 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.**

**3a: PAC 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.**

3.1 The government agrees with the Committee's recommendation.

#### **Recommendation implemented**

3.2 The department has made a change to the way it collects diversity data as part of a Universal Credit claim, to encourage claimants to provide this information as stated at the Committee hearing on the 9 September 2021. The declaration rate is increasing and is now above 70% based on the department's internal management information. However, the department cannot and should not compel people to provide this information should they not wish to do so.

3.3 The department will ensure that its evaluation considers diversity characteristics. When the department carries out research with programme participants, and non-participants, it will collect information on ethnicity and disability.

**3b: PAC Recommendation: 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.**

3.4 The government agrees with the Committee's recommendation.

#### **Recommendation implemented**

3.5 The department is working with the Office for National Statistics to understand how it can best monitor unemployment trends amongst particular groups, however, this is an area where due to small sample sizes there can be large variations in figures, so care needs to be taken in how the department will use these figures.

**4: PAC Conclusion: 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.**

**4a: PAC 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.**

4.1 The government agrees with the Committee's recommendation.

#### **Recommendation implemented**

4.2 [The National Disability Strategy](#) was published on 28 July 2021. It includes wide-ranging measures to support disabled people in employment and to progress. A range of Department for Work and Pensions initiatives are supporting disabled people to stay in and enter work including the Work and Health Programme, the Intensive Personalised

Employment Support programme, Access to Work, Disability Confident and support in partnership with the health system, including Employment Advice in National Health Service Improving Access to Psychological Therapy services.

4.3 The department is committed to supporting individuals in low-paid work to increase their earnings or move into better paid work.

**4b: PAC Recommendation: 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.**

4.4 The government agrees with the Committee's recommendation.

#### **Target implementation date: March 2022**

4.5 The department launched the In-Work Progression Commission in 2020 led by Baroness Ruby McGregor-Smith. The Commission published their [report](#) on 1 July 2021. It makes twenty-six recommendations to help people to progress at work and move out of low paid employment. These include promoting a culture of lifelong learning, steps employers and government can take to support workers to progress and improving local transport links. The government is carefully considering the recommendations and will respond shortly.

4.6 The department is continuing to build evidence of what works to support people who are in work to progress to gain insight into how a future Universal Credit 'in-work' offer could be introduced. As part of this it is trialling a voluntary in-work support offer to claimants in South Yorkshire.

4.7 For low-paid workers, from April 2022, the department will bolster its work coach support for people on Universal Credit to help them boost their earnings through a focus on career progression advice, with Jobcentre specialists working with local employers to identify opportunities for people to progress in work.

**5: PAC Conclusion: The Department is not sufficiently transparent about the impact and take-up of its schemes at a local level.**

**5: PAC 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.**

5.1 The government disagrees with the Committee's recommendation.

5.2 The department will not be introducing regular statistical publications at this stage given that many of the programmes are about to come to an end. Instead, the department is considering how best it can put information about these schemes into the public domain after their closure, and how information is best provided on schemes that will continue for longer.

5.3 The department has been working to improve data collection to support operational planning and policy decisions. As it does so, it has released more information into the public domain over time as the department's understanding of the data, and its confidence in it, increases. For example, the department has now published information through Parliamentary Questions on the regional breakdowns of Kickstart jobs and information on the number of

starts on other employment programmes. The department recently published the [Plan for jobs: progress update](#).

**6: PAC Conclusion: The Department does not make the most of local authorities' and employers' in depth knowledge of local needs and priorities.**

**6a: PAC 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;**
- **Ensure its employment support meets the needs of the local economy.**

6.1 The government agrees with the Committee's recommendation.

### **Recommendation Implemented**

6.2 The department has regular engagement with local leaders and stakeholders, Mayoral Combined Authorities and Local Authorities to understand place-based labour market issues and reflect feedback in the department's design and implementation of employment programmes. The department also works with employers in local areas to understand their recruitment and skills needs across sectors in order to tailor support.

6.3 Local engagement has played a key part in the appointment of providers for the Restart employment programme and the department works with local partners to encourage employers to create Kickstart placements.

6.4 The department has an extensive programme of contracted employment provision, including the Work and Health Programme, where commissioning and management of the contracted programme is delegated to Greater London and Greater Manchester authorities.

6.5 The department collaborates with Local Authorities across Great Britain to support delivery of services, which are in many cases co-located; departmental Work Coaches work alongside local partners in Youth Hubs to support young people in the area.

**6b: PAC Recommendation: The Department should seek regular structured feedback from local authorities and employers on its employment support and:**

- **Publish its district provision tool so others can see and comment on and complement the range of local provision**

6.6 The government agrees with the Committee's recommendation.

### **Target implementation date: December 2022**

6.7 The department agrees to regularly publishing a list of locally available provision, together with contact details at each Jobcentre. This would include the relevant information from the District Provision Tool.

6.8 Jobcentre Plus Partnership Managers, Employment Advisers and Disability Employment Advisers will continue to work closely with local authorities and other groups to ensure staff in Jobcentre Plus offices have up-to-date local and national information, such as the Local Authority support pack, to support customers.

***7: PAC Conclusion: 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.***

***7a: PAC Recommendation: 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.***

***7b: PAC Recommendation: 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.***

7.1 The government agrees with the Committee's recommendations.

**Target implementation date: December 2022**

7.2 The department systematically gathers feedback on customer satisfaction through its Customer Experience Survey, which it carries out annually. This measures customers' satisfaction and experiences with the services of the department.

7.3 COVID-19 prevented the completion of fieldwork for the 2019-20 Customer Experience Survey, meaning there is no annual level data to report for that year. The 2020-21 Customer Experience Survey report is near completion, and the department is expecting the results to be published in Spring 2022.

7.4 Published results from [previous Customer Experience Surveys](#) have shown around seven in ten claimants who used Jobcentre Plus services reported that they were satisfied with the help to find employment.

7.5 As reported in the department's [2020-21 Annual Report and Accounts](#), 89% of benefit customers said they were satisfied with the department's services based on the first three quarters of the Customer Experience Survey.

7.6 The department has work underway, in terms of further evaluation of how effectively work coaches provide employment support. Part of the focus of this work is on developing the evidence base on how the core regime is and has been delivered during the COVID-19 pandemic. The department also has plans to explore the wider support offer through programmes introduced as part of the Plan for Jobs 'as a system' to inform the department's future delivery strategy.

7.7 As well as looking at the whole system, several pieces of research are being undertaken to support understanding of the effectiveness of individual policies, such as work search reviews and employment programmes offered through Jobcentre Plus. Timescales for these pieces of work are still to be finalised but findings are expected to start becoming available throughout 2022.