



House of Commons
Work and Pensions Committee

DWP's preparations for changes in the world of work: Government Response to the Committee's First Report of Session 2021– 22

**Third Special Report of Session
2021–22**

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Work and Pensions Committee

The Work and Pensions Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Work and Pensions and its associated public bodies.

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Third Special Report

On 29 June 2021, the Work and Pensions Committee published its First Report of Session 2021–22, [DWP's preparations for changes in the world of work](#) (HC 216). On 29 October 2021 we received the Government Response to the Report, which is appended below.

Appendix: Government Response

DWP Preparations for Changes in the World of Work

The Department for Work and Pensions (DWP) thanks the Committee for its report of 29 June 2021.

The scope of the inquiry, as set out by the committee, looked at how prepared DWP is for changes in the world of work brought about by new technology.

Impact of Covid-19

Over the past year, the major part of government's focus has been on mitigating the impact of COVID-19 on jobs and the UK's labour market. There have been significant sectoral and structural changes, with some sectors growing and others with a declining workforce, and the uptake of new technology impacting the way many citizens work. One of our priorities is to ensure people looking for work have the appropriate skills to match requirements of recruiting sectors. DWP can pursue this effectively through its core labour market regime, where Work Coaches match people to jobs, whilst wider, cross-governmental work links skills provision with the ever-evolving labour market.

Long-term changes

Recommendation 1: Working with other departments, DWP should develop a strategy for how it intends to respond to long-term changes in the labour market. This should set out how the Department will plan for different possible scenarios. The strategy should include how DWP intends to respond to the impact of new technology on the number of available jobs, the skills needed to perform these jobs, and the differential impact that changes could have between sectors, regions and demographic groups.

DWP is working with other departments, particularly DfE and BEIS, on labour market issues to develop joined-up policy solutions. The effects of businesses' growing adoption of technology are discussed alongside other impacts on the UK labour market and the need for greater inclusion for particular groups and levelling-up in all places. DWP's role is to ensure those claiming benefits, who are capable of working, have the opportunity to access suitable employability training (including work experience) and vocational skills training. DWP and DfE already jointly pursue a range of skills and training provision in order to support jobseekers into priority sectors. We also continue to work as appropriate with the Scottish and Welsh governments.

Recommendation 2: *The strategy we have recommended should also set out how the Government will safeguard employees' rights and wellbeing and ensure that available jobs are of good quality.*

BEIS is the department with responsibility for employment rights.

The Government is committed to establishing a single enforcement body for employment rights. This new single enforcement body will bring together all existing powers of the Gangmasters and Labour Abuse Authority; the Employment Agency Standards Inspectorate; and HMRC's National Minimum Wage Enforcement. The new body will also have a new ability to ensure vulnerable workers get the holiday pay and statutory sick pay they are entitled to, without having to go through a lengthy employment tribunal process. Development of this body will be undertaken by BEIS.

Recommendation 3: *On top of this work, DWP should take a more strategic approach to engaging with other departments—for example DCMS, as the department responsible for digital, and BEIS—to identify sectors which may face increased demand in the future. We also urge the Department to work closely with MHCLG and other Departments on the Levelling Up programme, including on projects like the Towns Fund and Levelling Up Fund, to ensure that areas most exposed to loss of jobs from automation are prioritised for investment in skills and new jobs.*

DWP already works with other government departments who have responsibility for key sectors, including DCMS and BEIS.

This work identifies how government can unlock opportunities in these sectors through skills provision, employment support and careers advice services. For example, DWP has close working relationships with DCMS to identify and map digital jobs and skills demand. There are also clear linkups with DfE and BEIS to consider how the Government can provide tailored, targeted support that links directly to jobs and ensure that jobseekers are able to access this support.

Recommendation 4: *DWP should work closely with DCMS and BEIS on the development of the Strategy. It should ensure that the Strategy sets out how the Government will respond to the impact of AI on the labour market.*

The Government has set up the joint DCMS/BEIS Office for AI, the Centre for Data Ethics and Innovation, and the independent AI Council, which advises on the adoption of new technology.

Recommendation 5: *We recommend that the Government should, as a matter of urgency, set out a timescale for when it will introduce the Bill. We also recommend that this be published in draft this session to enable pre-legislative scrutiny of the Bill.*

Legislation will be announced in the usual way, and any legislation will be led by BEIS.

Recommendation 6: *We recommend that, as a starting point, the ONS should add questions about technology adoption to its Annual Business Survey, as the Institute for the Future of Work has suggested. Possible questions could ask about the purpose of adopting new technology, and whether this has affected the number or nature of tasks performed by humans.*

We have shared your recommendations with the ONS.

Recommendation 7: *The Government should fund the next round of the Skills and Employment Survey, which is expected to be re-run in 2022–23. The Department for Education has funded the Survey in the past, but the next round could be funded by DWP, or by more than one department. DWP should also consider whether further methods of collecting data on job quality are needed. Working with the Department for Business, Energy and Industrial Strategy, it should also consider whether there is a case for adopting a new framework for measuring job quality or modifying its existing measure.*

The Skills and Employment Survey is owned and developed by academics and managed out of Cardiff University. It relies on funding from several sources but primarily the Economic and Social Research Council (ESRC). It is solely a decision for the academics and ESRC to decide if the survey runs again.

Impact of long-term changes on different groups

Recommendation 8: *DWP should do more to improve knowledge and take-up of assistive technology amongst employers. Our predecessor Committee recommended that the Government should bring together a consortium of AT developers and entrepreneurs to achieve this. The Government did not act on this recommendation at the time, so we reiterate it now. The Government should also work with technology companies and employers to ensure that future jobs are accessible for disabled people.*

In July 2021, the Government launched its new National Disability Strategy (NDS), outlining our approach to realising more accessible housing, easier commuting, and better job prospects for millions of disabled people throughout the UK.

The Disability Unit (DU) will invest up to £1m in 2021 to 2022 to develop a new Centre for Assistive and Accessible Technology, reporting on progress by summer 2022. The first stage of this commitment is to run a procurement campaign to secure a provider to assess the assistive and accessible technology (AT) needs of disabled people in England, to establish where these are being met and where improvements can and should be made and provide findings to the DU by March 2022—the procurement for this has begun. The second phase (which will run laterally and beyond the above) will consider developing and piloting AT loan hubs to investigate provision across public sector silos from Jobcentres to Further Education Colleges. It aims to improve outcomes at an individual level, reduce the currently high abandonment rates for individuals and realise cash savings in a local area. The third phase will use the findings of phases 1 and 2 to develop an AT centre.

Recommendation 9: *DWP must ensure that its digital skills offer is accessible and inclusive for disabled people. It should set out how it intends to increase the proportion of disabled people who benefit from its support and commit to publishing data on this.*

In August 2020, a new legal entitlement was introduced by DfE to fully fund specified digital qualifications, at entry level and level 1, for adults with no or low digital skills.

Alongside the introduction of the digital entitlement, DfE introduced new Essential Digital Skills Qualifications (EDSQs) based on new national standards for essential digital skills. EDSQs are a new qualification type designed to meet the diverse needs of adults

with no or low digital skills. To ensure the assessment of these qualifications is accessible to learners with learning difficulties and/or disabilities, awarding organisations must provide reasonable adjustments where appropriate.

Recommendation 10: *We recommend that, as part of its commitment to levelling up, the Government should establish a new publicly funded advisory body of experts with a focus on the potential impact of changes in the world of work on different groups in the labour market. The Government should use the now-closed UK Commission for Employment and Skills as a model for what it could look like: that is, a publicly funded but independent body whose membership could consist of employers, trade unions, training providers and representatives from the third sector. The role of this new body should be to produce intelligence about the impact that changes such as automation may have on different demographic groups, including those that are most likely to experience the effects of these changes, and provide advice and make policy recommendations to the Government on that basis. It should work with and provide guidance to employers, including about how they can increase the diversity of their workforce through changes to their recruitment practices, such as encouraging more employers to adopt name-blind recruitment.*

Levelling up is at the heart of the Government's agenda to build back better after the pandemic and was at the centre of the manifesto this Government promised to deliver for the people of the UK. The Government has established a new Cabinet Office Levelling Up Unit to help realise this ambition.

Short Term Changes

Recommendation 11: *The Government should monitor and publish an analysis of the impact that the pandemic is having on the take-up of new technology, working patterns and job quality. It should pay particular attention to the impact of the pandemic on disabled people's employment.*

Data from the ONS shows that, among organisations for whom remote working is possible, most businesses and individuals expect to move to 'hybrid' working models on a more permanent basis. That is why the Flexible Working Taskforce will initially focus its attention on this type of flexible working.

ONS research suggests that many disabled people have found the experience of working from home to be positive during the pandemic. While fewer disabled people than non-disabled people stated finding working from home difficult, (11 per cent for disabled and 21 per cent for non-disabled)¹ working from home is not suitable for everyone. The National Disability Strategy commits to progressing commitments on flexible working and the introduction of a new leave entitlement for unpaid carers, as well as introducing a 'Disability at Work' advice hub in partnership with Acas.

Recommendation 12: *We recommend that DWP should consider the potential benefits of introducing a day one right to paternity leave and an equivalent of Maternity Allowance for new fathers and adoptive parents. It should work with other government departments and stakeholders to explore how this could be achieved.*

1 ONS publication '[Coronavirus and the social impacts on disabled people in Great Britain: February 2021](#)'

As part of the evaluation of the Shared Parental Leave and Pay scheme, BEIS commissioned large scale, representative surveys of employers and parents. The surveys sought views on a broad range of parental leave and pay entitlements, including Paternity Leave and Pay. BEIS are currently analysing, and quality assuring, the data that was collected. Alongside this, BEIS is assessing responses to a 2019 consultation on high-level options for reforming parental leave and pay. Together with the survey data that has been collected, information gathered through the consultation will provide a fuller picture of how well the current arrangements for parental leave and pay are working for parents and their employers. This information will inform government policy on parental leave and pay going forward.

Recommendation 13: *We reiterate our recommendation, first made in October 2020, that the Department should immediately make improvements to the Universal Credit system to enable it to record and use data about claimants' characteristics. Without those improvements, the Department cannot effectively measure in real time how well the Restart and Kickstart schemes are working for different groups. The Department should set out, in response to this report, when it expects to achieve this.*

DWP understands why the committee thinks this would be helpful but does not have any plans to introduce markers on the Universal Credit (UC) system. Instead we are exploring ways how claimants tell us about circumstances that might affect their claim to UC. This information will then be held on their UC account so that our staff are aware of the characteristics to tailor support accordingly.

DWP has introduced a mechanism for claimants to tell us about any experience of serving in the armed forces and are in the process of designing and building a process for claimants who have experience of being in care. Following this we will evaluate the impact of introducing these questions on our claimant and agent experience before deciding how we progress with other claimant characteristics.

Both Kickstart and Restart programmes also have their own evaluation processes to understand how they are working for different groups.²

Recommendation 14: *DWP must continue to work closely with DfE to ensure that its skills programmes reflect the changing needs of employers and demands of the labour market.*

There is a significant amount of work on the development of skills programmes already underway between DWP, DfE (in England) and the Devolved Administrations of Scotland and Wales. DWP is focused on working with DfE on the rollout of Local Skills Improvement Plans in England, starting with the eight Trailblazer areas in 2021–22. They will be developed by employer representative bodies working closely with Further Education colleges, other providers and key local stakeholders such as Jobcentres.

Recommendation 15: *In written evidence, DWP said that it intends to expand its skills offer. In response to this report, it should set out its plans in detail. In particular, it should explain how its offer will focus on the skills for which there is increased demand, particularly digital and AI skills. It should ensure that its offer is not just aimed at people who are in the early stages of their career, but at older workers who may also want or need to retrain.*

2 <https://www.gov.uk/government/publications/equality-analysis-for-the-kickstart-scheme>

The Skills Offer is jointly pursued across government. DfE in England and Devolved Administrations in Scotland and Wales lead on funding and commissioning the training offer, and DWP plays a critical role in actively influencing that offer and creating access to training for DWP customers. DWP is expanding its skills offer to identify and act on skills needs matched to local employer demand. In addition, DWP engages actively with relevant organisations and structures (including directly with employers, DfE and the Skills Advisory Panels) to understand demand, shape the training offer and ensure DWP customers have access to training that relates to current and emerging job vacancies.

The DWP Train and Progress initiative is a key means through which this alignment of demand and supply of skills can be achieved. The aim of DWP Train and Progress is to understand how to better meet demand in the labour market, addressing any gaps in skills and potential barriers to accessing non-contracted provision. There will be a particular focus on those claimants with low attainment in English, maths and digital skills, those in lower paid work and those with a need to retrain. This offer will be made to people of all ages, including older workers.

Recommendation 16: *DWP should set out a plan for how Jobcentre Plus can work more closely with partners—including local authorities, local enterprise partnerships, employers and education and training providers—to ensure that its skills offer is aligned with the needs of the local labour market.*

DWP already works closely with local authorities, other local stakeholders and other government departments through the Work and Health Services network. DWP also engages centrally with Mayoral Combined Authorities, local authorities, Local Enterprise Partnerships and with businesses and charities, all of whom have valuable expertise and knowledge of their local labour markets.

DWP engages with local leaders, including employers, to understand place-based labour market issues, where vacancies are available but not being filled and to support people with the training they need to move into vacancies.

Recommendation 17: *DWP should ensure that new Work Coaches receive specific training on business engagement. All Work Coaches should be encouraged to and given time to undertake business engagement alongside their other duties. This should be incorporated into Work Coaches' performance objectives and considered during performance reviews.*

Work Coaches are supported by Jobcentre Plus Employer and Partnership Managers, and Employer Advisers who engage professionally, co-ordinating and building external relationships with employers in the local area. They work alongside our Work Coaches to identify claimants with the skills that local employers need, and will support claimants to find opportunities and organisations to support them in developing new skills to meet local labour market demands.

In addition to this our Work Coaches undergo a comprehensive learning journey designed to equip them with the tools, skills and behaviours required to provide a high quality service, which includes a working knowledge of their local labour market.

Recommendation 18: *We welcome the fact that DWP has recruited 13,500 additional Work Coaches in response to the pandemic. DWP should continue to assess whether*

the number of Work Coaches is sufficient, and commit to recruiting more in the future if demand rises. It should also ensure that there are enough Jobcentre Plus staff with specialist skills. The Department recently announced the recruitment of 315 new Disability Employment Advisers, which is welcome, but it should assess whether this number is enough and commit to hiring more or upskilling existing Work Coaches if necessary.

We have recently increased the number of Disability Employment Advisers and we regularly review the number and the functions of the role to ensure we have capacity to deliver the support required to customers who require additional time and expertise to move forward into work.

Recommendation 19: As well as impacting the labour market, the adoption of new technology is likely to affect the way DWP delivers its services. As DWP moves more of its services online, it must ensure that people with low digital literacy, who may struggle to access its digital services, can continue to access face-to-face support and in-person services. It should ensure that services that help people access benefits, such as Help to Claim, have the resources they need, and that they receive additional funding if demand increases. DWP should develop a plan for how it will work more closely with third sector organisations that support claimants to ensure that they can continue to access DWP's services.

Throughout the pandemic, Jobcentres have remained open for anyone who needed face-to-face support and could not be helped in any other way. Since 12 April 2021, Jobcentres in England and Wales have resumed full face-to-face services, returning to normal opening hours from 9am to 5pm. Jobcentres in Scotland have restarted the same full face-to-face service since 26 April 2021. All Jobcentre Plus offices across the country have Wi-Fi and computers available for claimants to access the internet. Work Coaches will continue to support people to maintain their Universal Credit claim. To support our ongoing commitment in helping claimants, we have recruited an additional 13,500 Work Coaches in our Jobcentres.

Recommendation 20: Instead, we recommend that the Department should focus its efforts on ensuring that the value of benefit payments under the current system are sufficient to meet claimants' basic needs.

The Government's approach to welfare recognises the value and importance of work, making work pay and supporting people into work, while protecting the most vulnerable in society. This is an approach that is based on clear evidence that work offers families the best way out of poverty. The latest statistics (2019/20) show that full-time work substantially reduces the chances of poverty. The absolute poverty rate (before housing costs) of a child where both parents work full-time is only 3% compared to 42% where one or more parent in a couple is in part-time work. Children living in workless households were around 5 times more likely to be in absolute poverty in 2019/20 than those where all adults work (before housing costs).³

3 Institute for Fiscal Studies, 'In-work poverty among families with children', https://ifs.org.uk/uploads/publications/comms/r129_ch5.pdf

As Universal Credit supports the needs of claimants depending on their circumstances and pays more where claimant need is greater, it is an efficient and effective way of providing support.