



House of Commons
Work and Pensions Committee

**The future of
Jobcentre Plus:
Government Response
to the Committee's
Second Report of
Session 2016–17**

**Seventh Special Report of Session
2016–17**

*Ordered by the House of Commons
to be printed 18 January 2017*

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 Office of the Department for Work and Pensions and its associated public bodies.

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Committee reports are published on the [publications page](#) of the Committee's website and in print by Order of the House.

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Committee staff

The current staff of the Committee are Adam Mellows-Facer (Clerk), Margaret McKinnon (Second Clerk), Ian Hart (Committee Specialist), Libby McEnhill (Committee Specialist), Rod McInnes (Committee Specialist), Alison Pickard (Senior Committee Assistant), and Jessica Bridges-Palmer (Media Officer).

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Seventh Special Report

The Work and Pensions Committee published its Second Report of Session 2016–17, *The future of Jobcentre Plus*, ([HC 57](#)) on 9 November 2016. The Government's response was received on 13 January 2017 and is appended to this report.

In the Government response, the Committee's recommendations appear in ***bold italicised text*** and the Government's responses are in plain text.

Appendix: Government response

Introduction

The Government values the input of the Work and Pensions Select Committee into the Future of Jobcentre Plus. The Committee rightly identifies the opportunities and challenges facing Jobcentre Plus from the continuing changes in the labour market to the rollout of Universal Credit.

The Department believes that Jobcentre Plus has maintained an excellent service in a time of uncertainty and can be proud of the role it has played in ensuring record employment levels. However, the Department is not complacent about continuing this achievement or the challenge of meeting the needs of claimants with more complex needs.

Many of the policies referred to in this document are applicable across the whole of Great Britain, although a number are only applicable to England. This reflects the fact Jobcentres deliver high quality service across Britain and we will work to continue ensuring that is the case, so that people enjoy this quality service wherever they live. We also recognise that the Devolved Administrations are responsible for their own policies in a number of areas, including health and skills and going forward in Scotland, certain contracted employment programmes. We will continue to maintain the appropriate level of engagement and co-operation on these and other devolved areas. The Government is fully committed to working with the Devolved Administrations at both national and local level.

Our response to the Committee's recommendations is set out below.

The role of the work coach

We recommend the Department set out how it will support Work Coaches to strike the right balance between coaching and conditionality – potentially conflicting elements of their role. Work Coaches should be given more comprehensive guidance on how to adopt a flexible approach to conditionality for vulnerable groups of claimants, such as those with health conditions or housing problems.

The guidance should include multiple examples illustrating the circumstances in which different levels of conditionality, including frequency of meetings would be appropriate and effective. (para 35)

1. We agree with the Committee that Work Coaches must be able to strike the right balance between coaching and conditionality. The role of the Work Coach has changed significantly over the last few years; they have more autonomy than ever before and access to a wide range of options to help claimants move closer to the labour market and into work.
2. With the introduction of the Work Coach Delivery Model, each claimant stays with the same Work Coach regardless of whether there is a change of circumstances, for example a health condition. Work Coaches are trained to support customers whatever their needs and are aware of the specialist help available within their area.
3. This continuity helps build relationships and trust, and better enables Work Coaches to identify and address specific needs.
4. The Work Coach is required to develop and use outcome focussed interviewing techniques to assist claimants in developing their own goals and solutions to overcome their barriers. They will need to provide a personalised service focussed on the individual claimant circumstances and capability.
5. In particular, Work Coaches are expected to identify and support vulnerable claimants, recognise and consider the impact of complex circumstances, including emergency situations and adjust the requirements they expect from claimants.
6. All Work Coaches complete learning designed specifically for their role. This learning combines the knowledge, skills and behaviours they need to coach claimants effectively so that they are able to identify for themselves what they need to do to find work and how best to do it.
7. We are further improving the range of learning and development tools for all Work Coaches to help identify the claimant's needs, and delivering a personalised service to best meet the needs of the claimant and the local labour market, and offering claimants a comprehensive menu of support options. Guidance for Work Coaches already includes examples of circumstances in which conditionality should be eased for claimants.

The Claimant Commitment

We recommend that the Department monitor the extent to which claimants consider Claimant Commitments personalised.

This should include adding a question on this topic to the annual Claimant Experience survey. (para 23)

8. We agree with the need to monitor how the claimant commitment is personalised and this is already happening. Work Coaches undertake outcome focussed interviews with claimants which include the completion of a claimant commitment - a personalised, living document tailored to the claimant's individual circumstances. This tailored approach sets out the work-focussed activity that they need to achieve to move them closer to the labour market and into work.

9. Work Coach Team Leaders are responsible for ensuring that Work Coach interviews are as effective as possible and that Work Coaches have the capability to deliver personalised customer service.

10. Work Coach Team Leaders are required to regularly observe Work Coach interviews as part of their role. The Quality Assurance Framework (QAF) is designed to draw out the key activities the Work Coach undertakes during interventions with the claimant, for example that they are setting reasonable, challenging work search requirements that are tailored to the individual's circumstances.

11. As a **minimum**, Work Coach Team Leaders should observe one interview every month for each of their Work Coaches. More frequent observations may be needed with new Work Coaches or where learning needs and skills gaps are identified to ensure Work Coaches are given appropriate support and standards are met.

12. We will include an additional question in the annual claimant experience survey to monitor the claimant's views. The DWP Insight and Analysis team will arrange inclusion in the 2017/18 survey year.

Work coach specialisation

There is a clear case for allowing some work coaches to specialise in directly helping smaller numbers of specific claimant groups with complex needs, while others can help general cases and retain a higher caseload.

We recommend that progression to a senior Work Coach Role at Higher Executive officer grade should be available to those Work Coaches who have demonstrated a capacity to support specific claimant groups such as disabled people, homeless claimants, self-employed claimants, lone parents or those with drug and alcohol problems. Senior Work Coaches should continue to provide front-line support of claimants with substantial barriers to work, so that DWP staff increasingly master the greater "skills" demand that will be placed on them by the Government.

We also recommend that assessment of the performance of Work Coaches be based on evidence of developing specialist skills, offering personalised support and supporting claimants to progress into and in work. (para 35)

13. The Department recognises that some claimants will have more complex barriers so require more support to help them move closer to the labour market and in to work.

14. The role of the Work Coach has more autonomy than ever before and access to a wide range of options to help claimants into work.

15. With the introduction of the Work Coach Delivery Model, each claimant stays with the same Work Coach regardless of whether there is a change of circumstances, for example a health condition. To enable this:

- a range of critical learning and development tools have been introduced which all Work Coaches must complete;

- we have introduced a Caseload Strategy, which includes advice on, for example:
 - making the best use of caseloads;
 - identifying claimant needs, complex needs and difficult personal circumstances; and,
 - identifying the right level of support.

16. The Work Coach is supported by new Disability Employment Advisers and a network of Work Psychologists to provide support and advice on more complex cases.

17. There is extensive evidence to show that the relationship with the Work Coach is critical in positively influencing claimant behaviour and creating true engagement.¹ Good coaching is particularly valued by claimants. Tailoring by Work Coaches is more effective in engaging claimants and encouraging them to take steps towards work.

18. The range of Work Coach learning and development tools are constantly being evaluated and proactively improved. We have introduced an externally recognised professional accreditation programme for all new Work Coaches.

19. Work Coaches' learning and development and support through guidance continues:

- We have strengthened the guidance based on the input from our stakeholder groups and experts.
- Work Coaches currently have access to a comprehensive and progressive learning framework, benchmarked against externally recognised awarding body standards, which is designed to build the core skills and knowledge essential to the role. We continue to look at the best ways of ensuring that the organisation builds Work Coach capability and professionalism.

In addition to technical and skills training, all Work Coaches have a learning programme which encompasses the wide range of circumstances that our claimants may have, including bereavement, disabilities or health conditions and stresses the importance of engaging with people as individuals in order to offer appropriate support.

20. We do not agree that creating a new role at a higher grade would provide any additional front-line support to those claimants with substantial barriers to work, above the changes already planned. We also believe that focussing on a range of claimants will better enable Work Coaches to use the range of their skills and improve the experience overall for claimants.

1 https://www2.warwick.ac.uk/fac/soc/ier/publications/2007/hasluck_and_green_2007_rrep407.pdf
<https://www.gov.uk/government/publications/universal-credit-pathfinder-evaluation>
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/481865/universal-credit-extended-gateway-evaluation.pdf

District Manager Expectations

We recommend the Department set out its expectations of district managers in delivering change and ensure that they are equipped to do this.

We further recommend that the Department commission an independent assessment of JCP district manager's ability to delivery large scale change. Similarly, branch managers have an important role in ensuring Work Coaches can carry out their extensive new functions.

We recommend that the Department ensure that clear guidelines on expectations of helping claimants into and closer to employment are incorporated into the Work Coach Appraisal system used by branch managers (para 39).

21. We share the Committee's commitment to delivering change and already set out expectations of district managers. The Departmental expectations and objectives are set out in the DWP Capability Plan. This annual plan includes how to increase the capability of DWP operations and the changes delivered in DWP are not owned solely by the 34 District Managers. We do not feel that an independent assessment of Jobcentre Plus would be a useful exercise.

22. The Department already has clear guidelines on helping claimants. Work Coaches' key work objectives focus on helping claimants move closer to the labour market and in to work. Recently we have begun to add in-work progression.

Flexible Support Fund

The Flexible Support Fund is potentially important resource that JCP can use to develop its partnership working with other organisations. However it is underused and under publicised.

We recommend that the Department takes steps to promote the fund for this purpose and that it monitors the extent of uptake and the purpose for which it is used. This should include identifying its use by individual Jobcentres (para 52).

23. We share the Committee's view that the Flexible Support Fund is an important resource that can be used to develop partnerships with other organisations, and that it should be well publicised and monitored.

24. Following a successful proof of concept, the Department implemented a Dynamic Purchasing System (DPS) across all of the Jobcentre network.

25. The DPS is a catalogue of accredited providers which enables Jobcentre local managers to source a greater range of provision, from a wider choice of providers, including Small and Medium Enterprises. It provides a more responsive, flexible and transparent way to purchase provision.

26. To date 385 suppliers have been invited to upload offers on DPS. 131 suppliers have uploaded offers and 1020 offers are now available on DPS.

27. The DPS Invitation to Tender is available on Contracts Finder. We will publish details of all the individual contracts which are let through the DPS on Contracts Finder on a quarterly basis, with the first update scheduled for the New Year.

28. District Managers will continue to have a key role in publicising and encouraging organisations to apply, alongside promoting existing grant funding opportunities.

29. In terms of monitoring the use of FSF, the Department records how FSF is used to remove individuals' barriers to work at Jobcentre level. Some of the activities recorded and monitored include:

- purchasing support to meet one-off claimant needs, for example funding travel to interview costs, one off training/certification;
- paying for adaptations to help a disabled claimant to access work placements;
- paying for replacement adult or child care to enable a claimant to undertake training, attend interviews or start work;

Health Budgets

We recommend that JCP districts should be allocated their own health budgets for the remaining financial years during this Spending Review period, with the expectation that this will be spent on developing partnerships to address health related barriers to work.

Clear and common success measures should be agreed with local areas, including the proportion of people who find sustained employment through these programmes (para 53).

30. The Department for Work and Pensions and the Department of Health have published 'Improving Lives – the Work, Health and Disability Green Paper'. The Green Paper sets out the Government's proposals for improving work and health outcomes for disabled people and people with long-term health conditions.

31. As a Government we are committed to building a country that works for everyone, and our ambition to halve the disability employment gap forms a key part of this. A disability or health condition should not dictate the path a person is able to take in life – what should count is a person's talents and their determination and aspiration to succeed.

32. A national consultation has been launched which will run until 17th February 2017, during which we are talking with and listening to a wide range of stakeholders. We want to engage with all those who have an important part to play in making the transformative changes required to support disabled people and people with long-term health conditions to get into and stay in work.

33. We will consider this recommendation further alongside other proposals emerging from the Green Paper consultation.

Local evaluation

We recommend the Department set out an evaluation framework that local areas can use to test different approaches to local delivery and produce information on what works before moving to fuller devolution of JCP employment services. This should form the basis for a national framework of minimum service standards that central government can use to hold local areas to account (para 56).

34. The Department already has systems in place to share what works. General guidance on Government evaluation is set out in the Magenta Book. This guidance (which is currently being revised) is publicly available via the Government website.

35. In addition, we are exploring the scope for DWP collaborating with the 'What Works' network to help build wider capability and support robust local evaluation. Indeed, DWP is using recently published evaluation of its arrangements to support innovation in the delivery of local labour market services. This will enhance the production and dissemination of local learning and build a shared understanding of What Works. Beyond this, we already do, and will continue to work constructively with local areas to support them in carrying out their own evaluations.

Performance measure and metrics

The evaluation framework should clearly set out performance measures that can be applied across the whole of the JCP caseload including claimants who are a long way from the labour market.

This means that metrics should be applicable to claimants who have not yet moved onto Universal Credit and should be appropriate for measuring progress towards work as well as moves into work. (para 56)

JCP must ensure that it has good quality data available on its progress in supporting all of its claimants into work, including those who are a long way from the labour market, who need substantial pre-employment support. (para 97)

We further recommend that JCP introduces a more holistic set of performance measures including "distance travelled" towards work such as take-up of volunteering or skills training, customer satisfaction and the number of claimants restarting their claims. These performance data must be routinely published. These measures will increase transparency, enable better decision making on future provision and help drive the necessary change in the culture and behaviour of JCP. (para 98)

36. Universal Credit means that we are interested not only in supporting people into sustained work, but also to progress in work. Progression metrics should form part of our overall performance framework as we further develop our in-work service

37. The Department already sets clear expected service standards for its local offices with flexibility to implement local solutions e.g. the Flexible Support Fund.

38. The Performance Framework is being developed and tested in three locations to ensure that proposed measures motivate the correct behaviours. Distance travelled measures will be considered as part of that performance framework. A Data Working

Group is in place to review available data and map this against operational requirements. Full operational consultation ensures that the local demographic and labour market is considered when interpreting data to identify and respond to trends and to ensure that benchmarks motivate individual commitment. Work is also in train to understand local drivers of Labour Market performance.

39. The current testing of the Universal Credit Full Service (UCFS) Performance Framework incorporates 4 pillars of the service:

- (1) Customer Service
- (2) Labour Market
- (3) Efficiency
- (4) Fraud and Error

40. Each pillar is broken down into a variety of indicators, including input, output, outcome and impact. The strategic ambition for data in Full Service aims to provide performance insights to identify higher performing sites, including more detail on which indicators made the biggest impact on performance.

41. On UC, we will have a sustainability measure that relates to those claimants who are in employment and still have an active UC claim. Here, the focus will be to maintain continuity of employment or assist in rapid re-entry into employment where individual jobs are not sustained. For legacy benefits, contact is not maintained when a person moves into employment, but where a job is not sustained and a person returns to the benefit system that will be through a UC claim and therefore they will be captured by the UC Performance Framework.

We further recommend that by the end of 2016 the Department set JCP similar performance targets of sustained earnings over time as it plans to introduce for Universal Credit. These measures must apply to all claimants in JCP, not just those claiming Universal Credit (para 98).

42. UC has pioneered the use of Real Time Information (RTI) based metrics, but we are unable to support extending these to other benefits. This would be a significant undertaking and would require the delivery of further RTI projects, which allowed DWP to exploit HMRC data and identify opportunities that applied to other benefits. As the number of individuals on other benefits continues to decline with the expansion of UC, undertaking such an extensive programme of work would not represent value for money.

43. All new claims from unemployed people will be to UC by September 2018, with JSA closing to new starters at that point. In October 2016, Universal Credit claimants made up around a third of the claimant count.

Work and Health Programme

We recommend that the Work and Health Programme focus on getting the best possible results from the smaller contracted out services. (para 61)

44. The Department's commercial strategy is designed to ensure the right depth of specialist providers within supply chains. This approach ensures we are getting the best results from smaller, specialist providers. However, there is a difficult balance to strike between engaging smaller contracts/contractors and delivering across larger contracts. Infrastructure and assets are required to drive more spending to front-line services and directly support for customers.

45. The value for money case for the Work and Health Programme (WHP) demonstrates that large contracts would be more effective for customers. However the commercial strategy sees local integration and supply chain management as critical aspects of identifying and engaging the right providers to deliver WHP services.

46. We are unable, at the current time, to provide full details of how we will procure and choose the right providers, as we are currently in the commercial process and doing so, at this stage, may undermine our commercial position and competitive edge.

Mandation to the Work and Health Programme

We recommend the Department clarify whether and how mandate will apply to disabled people and those with health conditions on JSA or the Universal Credit equivalent. The Department should produce guidance for Work Coaches on making referral decisions, mandate and the eligibility criteria for the Programme.

This should encompass the use of discretion in potentially complex situations such as where an individual with a health condition has been unemployed for more than two years, but may stand to benefit from external provision, or is claiming JSA or the Universal Credit equivalent (para 66).

47. We share the Committee's views and the Department is preparing guidance for Work Coaches on mandate to the new Work and Health Programme. Details will be available later next year. This will include details of how and when mandate will apply to participants. We will also draft guidance for Work Coaches on making referral decisions, mandate and eligibility.

Work and Health Programme

Commissioning for the Work and Health Programme should prioritise providers that demonstrate provision that goes beyond what is routinely available to jobseekers in JCP.

We recommend that specialist providers should be prominently represented and that the Department should set out clearly how it will ensure that such organisations are not made financially vulnerable through their participation, for example by guaranteeing minimum referral volumes. Payment by results should be maintained, but with a substantial service fee, reflecting the greater needs of the cohort that Work and Health Programme will serve, particularly those claimants who will be most difficult to place into work (para 73).

48. We agree (see also recommendation 15) with the Committee's views and the Department is already planning a 'substantial' service fee for providers so that they do not become financially vulnerable.

49. In line with the Department's Commercial Strategy, the WHP will only be used where there is a clear business need and following the use of alternative provision where appropriate. We are currently exploring the feasibility of sharing the District Provision Tool with bidders for WHP, so that they can better understand the services already being delivered elsewhere. Providers can therefore understand the opportunities and improve their bids in terms of added value.

50. The key aspects for the WHP include;

- performance;
- delivery arrangements;
- local integration; and
- supply chain management.

51. In terms of local integration we will be looking at how delivery organisations collaborate with other local services to access and dovetail into local funding. This will ensure delivery of a holistic and integrated service for the customer. In terms of supply chain management, requirements will focus on how organisations will support, fund and enhance supply chain partners in the delivery of services and support to the customer.

52. We are unable, at the current time, to provide full details of how we will procure and chose the right provider, as we are currently in the commercial process and doing so at this stage may undermine our commercial position and competitive tension. However, we will not be able to guarantee referral volumes, but will instead provide details of indicative volumes.

Establishing key policy objectives

The Department should set out the key policy objectives that JCP must deliver over the next five years and should give a clear indication of how JCP districts and individual Jobcentres should prioritise their delivery.

This should include details of how the timings of policy objectives link with their roll-out of Universal Credit (para 76).

53. The Department's key policy objectives are set out as part of the wider DWP single departmental plan: 2015 to 2020. This is published and was last updated on 13 October 2016.²

54. The Universal Credit schedule up to 2018 is also published.³

2 <https://www.gov.uk/government/publications/dwp-single-departmental-plan-2015-to-2020/dwp-single-departmental-plan-2015-to-2020>

3 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/571714/universal-credit-transition-rollout-schedule-phase-1-to-3-2016-to-2017.pdf and https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/571711/universal-credit-transition-rollout-schedule-phase-4-to-6-2017-to-2018.pdf

Future staffing levels

We recommend the Department set out a clearer framework for assessing the volume and complexity of demand and its staffing consequences in response to this report. The caseload of claimants coming into regular contact with JCP may also change as a result of the review of the Work Capability Assessment announced in the Department Work, Health and Disability green paper.

We recommend the Department review its staffing needs once it has decided on a course of action (para 84).

55. The Department already uses an integrated forecasting model to produce UC workload forecasts. This model is based on administrative data for a representative sample of individuals on the legacy benefits and tax credits that UC replaces, combined with information on UC policy rules and the same Office for Budget Responsibility (OBR) assumptions as for Jobseekers Allowance (JSA). We then use the UC Programme's rollout plans to forecast the build-up of UC and the rundown of the legacy benefits over time. During the rollout phase of UC, developments in the rollout plans have the biggest impact on the caseload forecasts, so scenario analysis has tended to focus on this aspect.

56. The Department bases the JSA workload forecasts on the OBR claimant count forecasts. It produces a range of new claim, caseload, telephony, decision making and appeals forecasts that are consistent with the OBRs claimant count forecast. JSA workloads are dependent on the economic cycle and are therefore very uncertain. We monitor our various forecasts against outturn data and update in consultation with a range of colleagues across the Department.

57. DWP has developed a suite of evidence based resource models which we continue to iterate and develop. The evidence provided through these models is used to determine the resources required to deliver DWP services, based on forecast volumes. DWP provides and assures analysis and modelling of DWP operations work demands and resource deployment to ensure plans are changed in line with changing customer demand. Resource plans have been developed through to March 2018 based on the workload forecasts and the resource requirements to deliver. The resource plans are reviewed each month.

Estates

The current open plan physical layout of Jobcentre Plus gives insufficient privacy to claimants when disclosing their personal barriers to working particularly for those with physical or mental health conditions. JCP should configure its office space when it renews its estate in 2018 so that appointments between claimants and Work Coaches can be held in private on a genuine one to one basis. (para 87)

58. We can confirm that the majority of Jobcentres have a private room available for use there and then. Where one is not available we endeavour to either make an appointment for another time or at another nearby office. There is guidance available for staff regarding reasonable adjustments, which includes:

- **Private Interview Rooms** - *We will arrange a private interview room or quiet area for those claimants/customers attending a face-to-face meeting who have a*

specific need, require additional support or who have requested this as a reasonable adjustment. We will provide accessible interview facilities in DWP buildings and/or on our partner premises.

59. The Department recognises the need for privacy for claimants and will consider this when reviewing its estate space in 2018.

Digital skills assessment

Jobcentre Plus should include a digital skills assessment in the Claimant Commitment interview which goes beyond simply asking if a claimant has access to the internet or computer.

This should draw on the good practice examples of digital skills assessments that are used by specialist support centres. Having poor IT skills should for example be grounds for claimants to be offered longer meetings with their work coaches. (para 91)

60. We are considering the potential for developing basic skills identification tools as part of the online offer for claimants.

61. Looking more widely, in line with recent Department for Education announcements digital skills are included alongside literacy and numeracy as key basic skills. On 1 October the Government announced plans to make training in digital skills free for adults lacking relevant qualifications.

62. The proposals, to be included in an amendment to the Digital Economy Bill, will mean publicly-funded basic digital skills training will be offered free of charge to adults in England who need it.