Dear Frank,

Evidence follow up from 17 October and 19 December 2018

Thank you for your letter dated 24 January 2019 in which you asked for updates following evidence given to the Committee on 17 October and 19 December last year. I will address each point in turn:

1) On 17 October, you said that you would be able to tell the Committee in January whether the Department was on track to make the spending cuts for 2019-20 set out in the 2015 Spending Review. Might you please let us know, as soon as your budgets are finalised, what the position is and where those cuts will be made?

As you know 2019-20 represents a significant reduction in DEL funding for the Department of approximately £600m (9%) compared to the previous 2018-19 financial year. We are nearing the end of our winter planning process which is the mechanism by which my Executive Team agree plans and set budgets for the 2019-20 financial year. This has been a significant effort across all parts of the Department, and I am confident that we will be able to agree a credible plan, which allows us to live within available funding without adversely impacting the key outcomes of our Department. Our plans take account of latest forecasts for levels of demand for our services, and progress in driving savings from third party suppliers. To be clear delivery of any plan in line with such a significant reduction in funding will represent a challenge, and will require close monitoring during 2019-20 to ensure it remains affordable. My intention is to finalise the 2019-20 position in February and I will write to you with a further update at this point.
2) On 19 December, we asked about progress on implementing split payments of Universal Credit in Scotland. You told us that you were waiting to hear from the Scottish Government how they wish to do this. You told us that you would be meeting your counterpart in Scotland “very early” in the new year; I would be very grateful for a report of progress.

You asked for a progress report on implementing the Scottish Government’s proposals for split payments. On 24th January 2019, we received a note from the Scottish Government setting out two options and asking us to impact these. The next step is for us to engage at official level to discuss the feasibility of these options and work collaboratively to explore options for achieving the Scottish Government’s policy intent in this area. Our initial sense is that this work is at a very early stage of thinking and it will be sometime before there will be a workable proposition which we will then be able to assess for delivery and timetabling. Scheduling this development work into an already busy development plan, which is already stretching out well beyond us, is likely to prove testing given the other demands we face.

We continue to take all possible steps to support victims of domestic abuse, giving split payments in UC when requested, easements in benefit conditionality and referrals to local support. We have worked with stakeholders to improve the training provided to our staff, which means that Departmental training and awareness is now better than it ever has been, allowing Jobcentre staff to proactively identify, support and signpost victims of abuse.

As the Secretary of State said in her speech of 11 January 2019, we are committed to ensuring that household payments go directly to the main carer. We are looking at what more we can do to enable the main carer to receive the UC payment and we will begin to make those changes later this year.

3) We also asked about the pilot of recording PIP and ESA assessments, which followed a recommendation from the Committee. Might you please update us on the progress of that pilot?

The pilot began on 26 November and the first recordings were completed during the week commencing 10 December. The pilot is based at one of our PIP assessment centres in Birmingham, where two assessment rooms have been fitted out with video recording equipment. DWP have been proactively contacting claimants to give them an opportunity to volunteer to take part in this trial. We expect to have fully evaluated the findings from the pilot in Summer 2019 after which the Department will provide a further update on our future plans.

Yours sincerely

[Signature]

Peter Schofield

DWP Permanent Secretary