

# Speech: The way forward: personalisation and digitalisation of benefits and support

Thank you very much indeed Andrew.

And it really is great to be here today to talk about my vision for the welfare revolution and the changing world of work.

And it's terrific to be on a Reform platform.

Because Reform is a fierce advocate for public services in this new age of technology.

Interestingly, I'm the only minister I believe who has spent their whole ministerial career in one department – Work and Pensions – moving from Parliamentary Private Secretary into a Junior Minister role to a Minister of State to now Secretary of State – even with a spell of unemployment in the middle!

And don't think that irony wasn't lost on me – when, standing on stage at 5am in a May morning in 2015, surrounded by cameras, lights, people, and hearing the election result that I'd lost.

One moment Minister of State for Employment the next moment unemployed!

But my journey of what life is about without a job started way before that. Growing up in Liverpool in the 1980s – seeing its impact on people and its impact on local communities. Waking up with nowhere to go, time spent wondering what you're going to do. Some memories actually never leave you.

And it is those images, those deep-seated memories that spur me on. That made me want to come back into politics and also made me want come back to this department.

And how can we make a system relevant for today's world of work – and use technology to assist us do that? How do we make a system that works for millions of people relevant to the individual?

The Department for Work and Pensions is absolutely massive. It's spend is comparable to a country the size of Portugal, or Greece, spending £180 billion of taxpayer money each year – with a day to day operation on which 22 million people depend.

Each week DWP makes 12 million separate payments to a combined value of approximately £3 billion.

Every day we see 80,000 people face to face in a jobcentre.

Each week we take about 1 million phone calls.

We directly deliver most of this through over 75,000 colleagues who operate from over 600 jobcentres and another 100 back offices.

But, despite this scale, it needs to work for people. And people come in many shapes and sizes, with many issues and concerns and – do you know what – with almost unlimited potential.

And it is that potential that our department needs to focus on.

I know some work coaches are here today that work in our jobcentres, and I want to say thank you personally for the work that you are doing. The changes that you have lived through and the transformation that you are making to people's lives.

And I want to tell you that I am committed to bringing you the tools that you will need to empower people to get a job.

So why are we changing the system? Well there's quite a few reasons!

The old system stifled opportunities – removing incentives to work more than 16 hours in many cases, and creating an effective tax rate of almost 90% of income for some people.

Known to many of us as the '16hr rule'.

Then came the creation of tax credits by the previous government, done so hastily that it undermined its own purpose.

And overpayments, as a result of it being delivered with the flick of a switch in April 2003, meant that if claimants miscalculated what they should be entitled to, they would be hit with a massive bill at the end of the year.

That year, government overpaid tax credits by £2.2 billion, requiring it to claw back money from some of the poorest people in the country.

And the IT system of benefits – well, we depend upon an old one, one that's out of date – designed and created in the 1980s – quite literally of another age.

Think how technology and IT has changed since then. Our legacy system is pre-Google, pre-mass communication and connectivity.

So the old system – the one being phased out – is an outdated, complicated, disincentivising web of overlapping benefits!

The truth is that people's life chances were severely held back by the old system of benefits.

And let's be frank: there is nothing reasonable about expecting people to claim several different benefits from separate local and national organisations.

There is nothing fair about 'rewarding' a claimant's successful search for work and cutting off benefits as soon as they gained a reasonable amount of hours.

There was nothing personal about a complex, indiscriminate 'one-size fits all' system – which, I think it is fair to say, embedded low expectations on both sides of the claim desk.

So change has to come – and change that also reflects the rapidly changing world of work in which we live.

Lots of work is changing – it is now online, tasks are being automated, and new industries are being created.

By one estimate, 65% of children starting in school today will do a job that doesn't currently exist.

We are already seeing seismic shifts, as we enter what is known as the fourth industrial revolution.

The gig economy matches people and tasks more dynamically than ever before – creating new opportunity.

Flexible working is no longer an exception, and we are seeing an increasingly inclusive workforce, where work fits around personal circumstances and caring responsibilities.

Gone is the job for life.

And our welfare system should reflect that. It should be nimble and adaptive – reflecting changing working patterns in this fast-paced moving world.

Our vision is one of a personalised benefit system, a digitised system.

We've simplified the system, so it is easier to navigate, by creating an easy point of contact – both online and through the system, but also by introducing dedicated one-to-one work coaches.

We're rolling 6 benefits into one, that means that people now have a better oversight of their income and can spend accordingly.

The taper rate means that it will always pay to work. 'Cliff edges' inherent in the old system – where benefits first dropped-off at 16 hours, and then at 30 hours of work per week – have now gone.

Flexible payments help people take on small amounts of hours, even at short notice, thereby supporting people to work in the gig economy. Through integration with HMRC's Real Time Information, this means that their benefit payment is adjusted automatically.

This digital system personalises Universal Credit. And we are constantly updating it.

This is not just IT: it is using next-generation technology, design thinking and data to support work coaches.

So when someone calls the full service telephone line, we use technology to automatically route them to their case manager or team – using tech to bring to you a familiar voice.

This technology is currently in 90% of teams in service centres and is now being rolled out further.

When you apply online, the experience is tailored to individual circumstances to allow us to develop the most efficient and effective service. And machine-learning will deliver and be applied to analyse data. The insight is then used by work coaches, who use their expertise to help claimants.

In short, we are developing a system that doesn't just meet users' needs, but the specifics of individual's needs – combining technology and work coaches' expertise.

This personal support is critical – but is on online and it is in person – as dedicated work coaches help claimants overcome a lack of confidence, a lack of role models or a range of circumstances in someone's lives.

Mindful always of the claimant's situation – and track their support and signpost them to places for help.

We are developing a personalised system that gives a 360 degree view of an individual's needs to provide bespoke tailor-made support.

Even to providing budgeting and IT support, using £200 million of funding to do so.

And this really is about helping people.

And don't just take my word for it. Consider these examples.

An ex-offender told us that his work coach had been “fantastic”, giving him confidence and time to adjust to life outside prison.

A claimant from Yorkshire, who had mental health difficulties, told us that her work coach “helped me turn my life around. Tailored support – I have now found my dream job.”

Another claimant, with a similar condition, acknowledged the time the new system allowed her to discuss her situation and the way she could move forward: “I have had many appointments with [my work coach] and she has been my lifeline with regards to work and her amazing empathy.”

This is all about personalisation. The personalisation of benefits and digitisation of the benefits system, providing tailored support for the individual. The ability to adapt is key, reflecting the increased pace of life and technological advancements. We're building an agile system for an agile future.

But we are not complacent that all is working like clockwork.

And where we need to put our hands up, admit things might not be going right, we will do so. We will be a culture of mea culpa, hands up and then we need to change. For just as we are adopting agile technology in this fast-paced world, ministers have to be agile too.

That is why, since January, we have implemented a £1.5 billion package of change that were announced in the [Autumn Budget 2017](#).

So we have made advance payments from day one of the application process, for up to 100% of a person's total claim, to be paid over 12 months, instead of 6.

That is why we put in place a 2-week Housing Benefit run-on, to give people moving from the legacy system a blanket of support to help them. And that is why we have also removed waiting days.

And since I became Secretary of State in January, I have reviewed legal cases reversing past positions and not appealing court decisions allowing the department to:

- reinstate housing benefit for 18 to 21 year olds
- exempt kinship carers from changes to Child Tax Credit element of Universal Credit
- and further, announce measures to protect severely disabled people when they naturally migrate to Universal Credit

We know that these changes have and will continue to help people. It is crucial that we get Universal Credit rolled out right – right for the 8 million who will go on to use it – and right for the taxpayer.

This is a total test and learn approach – critical to delivering Universal Credit that works for claimants.

We need to reach out too – learn from organisations such as yourselves – and yes, that includes the National Audit Office – about how to design and implement Universal Credit to support claimants, help them into employment, and improve their life chances.

And we realise that there is more to learn, and we want to work with you to understand where we can improve on this important reform.

And there are changes which are still needed, which I am working on. That is debt repayments, support for the self-employed, payment cycles for those in work and an extension of outreach work and an extension of flexible support for claimants.

But be in no doubt – because of the steps that we have introduced to deliver Universal Credit – such as the Claimant Commitment and enhanced training – we are helping to shape a new direction for so many people here in the UK. We are seeing people as individuals, not numbers, and not as a group known as unemployed – but as simply and clearly as individuals.

Since 2010, there has been a jobs revolution here at home.

Just this week we announced a record 32.4 million people in work, an increase of over 3.3 million since 2010.

That's 1,000 people on average each and every day that have moved into work since we came into government.

That's 1,000 more people each and every day in charge of their destiny providing support for their family members.

And this jobs revolution has been felt right across the board, with record female employment, record BAME employment and as of mid-2017 there are nearly 600,000 more disabled people in work than 4 years earlier. This personalised system is clearly helping people into work – people who previously didn't have the opportunities that their talents deserved.

And this jobs revolution has been felt right across the country too.

Employment in the North East has risen by 60,000 since 2010, to 1.2 million.

Employment in the North West has risen by 256,000 since 2010, to 3.44 million.

Employment in the East Midlands has risen by 186,000 since 2010, to 2.28 million.

We've seen youth unemployment fall by almost 45% since 2010.

And this does make us the envy of Europe, with youth unemployment at 11.5%, compared with Spain's 33.8% and Italy at 31.9%.

So much for the wonders of remaining in the European Union.

It means we are building an economy that is fit for the future.

And that future promises to be bright with the right relationship between government and business. Because we are not heavy handed interventionists.

We will focus on how to connect people to work, rather than shoving them into jobs that don't suit.

[Disability Confident](#) – which I set up back in 2013 when Minister for Disabled People – is continuing to spread the message of the untapped pool of talent that disabled people can bring to our workforce – ensuring employers can benefit from that talent.

[Find a Job](#) – launched in May this year – provides a 24/7 online job search platform. There have already been 24 million searches on that website, with over 177,000 live job adverts today.

We will continue to support people through the Flexible Support Fund to enable people to spend money on things that make it easier for them to get into work – whether training programmes, travel to an interview, clothing or

equipment to start employment.

We want to develop our [Universal Support](#) offer to ensure it supports people through the welfare system – to develop their digital skills so important in our digital economy. And we will be looking at how we can improve Universal Support further.

We will explore how we can further join the links between jobcentres and schools to continue to prepare children for a life fulfilling with work – ensuring they go into the careers that they want.

We will continue to use sector-based work academies to help young people develop their skills and links in to business up and down the country.

And we are using apprenticeships and skills programmes to enable people to retrain where they see an opportunity.

And we will ensure that older workers get fuller working lives by helping them back into work, extending working lives through tailored support for upskilling, managing health conditions and working with business to share the benefits that older workers can bring to them.

Our links to people on Universal Credit in work provide us with opportunities to provide support for people to fulfil their potential too.

Personal advancement is key to social mobility and ensuring people reach their potential.

And it is by empowering people, giving them choice and flexibility to carve their own path, that everyone is able to reach this potential.

We are working hard to make Universal Credit work for all. And we want to work with you all to achieve that.

We are both a pragmatic and a visionary government, listening to business, listening to charities, listening to people on the frontline and putting in place the right support to help people taking back control of their lives. And most importantly, always listening to the claimant.

Thank you.