



Treasury Minutes on the Ninth Report to the Thirteenth Report from the Committee of Public Accounts 2007-2008

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**Presented to Parliament by the Exchequer Secretary
to the Treasury by Command of Her Majesty
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TREASURY MINUTES DATED 8 MAY 2008 ON THE NINTH
REPORT TO THE THIRTEENTH REPORT FROM THE
COMMITTEE OF PUBLIC ACCOUNTS SESSION 2007-08

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Ninth Report

Department for Work and Pensions (DWP)

Helping People from workless households into work

1. Since 1997, there has been significant progress in helping people to move from dependence on benefits into work. There are now nearly 3 million more people in work¹ and the number of people receiving out of work benefits is continuing to fall. There is now a record number of people in work in the UK but the Government's long-term aspiration is to raise this even higher to an employment rate of 80 per cent.

2. Building on this strong base, which places the UK near the top of the international ladder, the priorities looking ahead are to maintain the very strong performance on employment and make ever further inroads into getting the people furthest from the workplace into employment.

3. The Government is developing the rights and responsibility agenda to widen the pool of people expected to work whilst providing them with the support they need to do so. People will receive a personalised approach, addressing their individual needs and helping them to acquire the skills they need to get a job, stay in a job and then progress.

PAC Conclusion 1: In spring 2007 there were three million workless households in the United Kingdom, representing 16 per cent of all working age households. The Government's aim to achieve 80 per cent employment will require the Department to help some 1.6 million economically inactive people into work, and many of these people are likely to be from workless households, where no one in the household over the age of 16 is in employment.

4. Since 1997, the proportion of working-age workless households has fallen by 1.9 per cent to 16.1 per cent.² ILO unemployment has fallen by 440,000 and the ILO unemployment rate is 5.2 per cent, down by 2 per cent since 1997. The proportion of economically inactive working age people has fallen by 1.6 percentage points to 21 per cent. Despite this significant progress the Department agrees with the Committee there is still a lot more to do to achieve the aspiration of 80 per cent employment.

5. Some people are far more likely to be living in a workless household and these people are our key target groups: disabled people; older people; lone parents; ethnic minorities; those from the most deprived backgrounds; and people with no or low qualifications. Existing policies have resulted in significant improvements in the employment prospects of these groups (except for the no/low qualifications group). However, even greater achievements will be possible through the more personalised and flexible services being introduced alongside a strengthened framework of rights and responsibilities.

¹ All labour market data are for October-December 2007.

² The latest working-age workless household data are for April-June 2007.

PAC Conclusion 2: Job entry rates from existing New Deal programmes are levelling off or declining, reflecting the need to tackle worklessness amongst some of the hardest groups of benefit claimants to assist. The Department should use its evaluation of the direct and indirect costs and benefits of New Deal programmes to identify ways to improve programme effectiveness. Programmes need to be more flexible so that clients who face multiple barriers to work can access packages of assistance according to need, without being restricted on the basis of programme.

6. The Department agrees with the Committee and extensive evaluation has been a key element of the development of employment programmes over the last ten years.

7. Evaluation of the New Deals, Employment Zones and numerous pilots, has provided a robust foundation of evidence from which the Flexible New Deal model has been developed. From April 2009, there will be a refreshed three-stage Jobseeker's Allowance regime for all new customers, including skills screening. This will strengthen the relationship between gaining employment, work-related skills training and benefit payments.

8. The experiences of both staff and job seekers suggest that moving to a more flexible approach can more effectively support job seekers into work. Customers have expressed high satisfaction with the Employment Zones model, related to both the quality and content of the relationship with their adviser. Evidence also supports an increase to the length of time job seekers can receive intensive support from specialist providers. This would give providers valuable extra time with those people who need more support to overcome their particular barriers to achieving sustained employment.

PAC Conclusion 3: The cost of getting people into work through the Department's employment programmes is higher than the subsequent savings generated over one year for all but two of the programmes. Un-quantifiable social benefits may also accrue from higher employment rates, but the Department needs to increase the cost effectiveness of programmes, targeting those programmes, which make the lowest contribution. It should use its data on successful cases to help identify how to increase the numbers finding a job, and should also reduce programme costs and/or increase effectiveness, by using telephone reminders to reduce the number of work-focused interviews lost through people not turning up.

9. The Department agrees with the Committee that we should continually seek to improve our programmes by learning lessons from successful ones and tackling problems in those achieving less. The Department for Work and Pensions (DWP) uses a cost-benefit regime to measure the relative performance of different programmes. This information informs future development of employment programmes such as those referred to in *Ready for Work: full employment in our generation*³. Also, on 28 February 2008, the DWP published a new commissioning strategy, setting out how the Department will improve value for money from our contracts with providers.

³ *Ready for Work: full employment in our generation*, Cm 7290 (2007).

10. The Department will be rationalising its contracting, moving towards larger and longer contracts, while preserving the conditions of effective competition, in order to increase efficiency. Providers will be rewarded largely on the basis of sustainable job outcomes, and will be allowed to take greater initiative to deliver more personalised and flexible services to customers. However, developing the key capabilities, which the Department knows make a difference in securing job outcomes will be an explicit feature of contracts and subsequent inspections of providers.

11. Jobcentre Plus telephones people to arrange the work-focused interview (WFI) at a mutually agreeable time. As part of this call, people are advised about the WFI process and services available, and it is explained that they are required to attend and the consequences if they fail to do so. For people claiming benefit on the grounds of incapacity and other client groups where the fail to attend rate is more than 10 per cent, a call is also made prior to the WFI to remind the person of the time and date.

PAC Conclusion 4: Only around 200 people join the New Deal for Partners programme each month, and few enter work directly as a result. Evaluations suggest that in 2005–06 only 61 of the jobs gained by programme participants were additional to those that would have been gained without the programme. Programmes aimed at benefit claimants' partners can contribute to tackling child poverty. The Department should establish why claimants' partners reject support and revise the programme content and its marketing accordingly.

12. A DWP research report⁴ published in 2006 showed that participation in Work Focused Interviews for partners appeared to increase New Deal for Partners (NDP) participation by about 3.5 per cent. For those who join NDP the outcomes are good and more than half move into work.

13. A further research report⁵ published in 2007 recommended an enhanced Work Focused Interview regime for Partners with review meetings and longer- term support to follow up the initial intervention. The report also suggested that a family focus should be followed to address skills and employment opportunities for claimants and their partners. From April 2008, regular six monthly Work Focused Interviews will be introduced for those partners of JSA customers who have responsibility for children. Key elements of provision currently available to lone parents in the New Deal Plus for Lone Parents Pilot areas will also be made available to participants in NDP in all pilot areas, including all London Districts.

PAC Conclusion 5: Outreach services for workless people do not reflect the fact that 60 per cent of workless households are concentrated in 40 districts across the United Kingdom. Organisations with a good understanding of local communities' needs are best placed to reach out to such households. Jobcentre Plus districts should work with relevant local partners to develop outreach strategies, which reflect local priorities and goals, and to encourage data sharing so that potential clients can be readily identified and targeted with appropriate help.

⁴ DWP Research Report 352, *Work Focused Interviews for Partners and enhanced New Deal for Partners: Quantitative Impact Assessment*, Richard Dorsett et al, (2006).

⁵ DWP Research Report 417, *Work Focussed Interviews for Partners and Enhanced New Deal for Partners Evaluation of Findings*, Coleman and Seeds, (2007).

14. The Department agrees with the Committee that flexibility is vital to bring in local expertise to tackle local problems. Jobcentre Plus Districts have built up good working relationships with other local agencies and groups in order to increase the effectiveness of local service delivery and reach out to customers.

15. City Strategy Pathfinders are also exploring the best way to combine the work of Government agencies, local government and the private and voluntary sectors to tailor provision and support to give workless people the skills and abilities needed by local employers. These pathfinders moved into their delivery phase in June 2007.

16. City Strategy Pathfinders have requested data to enable them to identify DWP clients and to contact them by letter or in person. We are working with Pathfinders and lawyers to develop a Memorandum of Understanding, or Contract, to enable DWP to provide information to a lead accountable body within each Pathfinder Consortium. Sharing of information will comply with data protection requirements and be limited, but sufficient for Pathfinders to be able to market programmes to individuals and to segment marketing according to particular categories. At the point at which contact with a client is made the lead accountable body would be able to set up a case record, obtain further information, gain client consent to share the information, and own the information themselves.

PAC Conclusion 6: Work-focused interviews are used to assist workless people who receive benefits, but they have not been used to assist workless people who are not required to attend an interview as a condition of receiving benefit. Jobcentre Plus has progressively increased the frequency of work-focused interviews and the groups required to attend them, and plans to use more frequent reminders to boost attendance by workless partners of benefit claimants. It should widen the use of work-focused interviews to people who do not receive income support to raise awareness of the services and support available and activating people to look for work.

17. Partners of income-related-benefit claimants are required to attend a WFI 6 months into the claim and then can voluntarily choose to engage in further interviews through NDP. From April 2008, regular six monthly Work Focused Interviews will be introduced for those partners of JSA customers who have responsibility for children.

18. DWP is also undertaking a survey with partners of people who are currently working to ask them about their past work history, future plans, and the support they need. This will report in summer 2008.

19. Jobcentre Plus services are open to any member of the public, including people who are not in receipt of any benefit. Jobcentre Plus can provide information on current vacancies and signpost people to training opportunities both in person, on the telephone and through the DirectGov websites⁶.

PAC Conclusion 7: Recipients of incapacity benefit receive statutory sick pay for six months before being offered any support in returning to work. Early intervention is crucial in helping people to avoid long spells of worklessness, and is particularly important for those facing multiple barriers in addition to disability. The Department for Work and Pensions and Jobcentre Plus should offer earlier support to people on statutory sick pay who are likely to claim incapacity benefit.

⁶ www.jobcentreplus.gov.uk/JCP/index.html; www.directgov.gov.uk/en/index.htm; www.jobcentreplus.gov.uk/JCP/Customers/Living_and_working_in_Europe/index.html

20. The Department agrees with the Committee that early support is essential to help people remain in work when they develop a health condition. Early support reduces the chances of people falling onto benefits and DWP are working across Government to improve this support. People in receipt of Income Support on grounds of incapacity already have access to Pathways to Work. Additionally, the Pathways Advisory Service pilots, which tested the placement of Jobcentre Plus advisers in GP surgeries, gave limited access to the Pathways to Work Condition Management Programmes to people in receipt of Statutory Sick Pay. This has been positively received and DWP is currently considering the evaluation findings as we plan the extension of these pilots.

21. DWP is increasing its engagement with healthcare professionals and employers through medical training syllabuses, education programmes and practical tools for doctors and nurses. Additionally, the Department is aiming to introduce a revised statutory medical certificate in Spring 2009, following consultation and testing. The new certificate will be simpler to complete, help GPs to provide the best possible advice to patients and employers and facilitate an earlier return to work.

22. Employers also have a role to play in protecting and promoting the health of employees. By learning from Workplace Health Connect pilots and encouraging improved provision of vocational rehabilitation services, DWP intends to facilitate employers' efforts to rehabilitate employees if they do develop a health condition.

PAC Conclusion 8: It is too early to assess the impact of the Department for Innovation, Universities and Skills's decision to prioritise the funding of basic skills and employability skills courses. The early signs are positive, such as the increase in the number of learners on priority courses in 2005-06. The Department and the Learning and Skills Council should market these courses so as to ensure that workless people are fully aware of the impact that the qualifications will have on their employability.

23. The Department for Innovation, Universities and Skills (DIUS) agrees that workless people should be made aware of the Skills for Life opportunities through the Employability Skills programme and via marketing campaign.

24. The Employability Skills programme was rolled out nationally by the Learning and Skills Council (LSC) and Jobcentre Plus from 1 August 2007. The offer comprises nationally approved literacy/language, numeracy and employability qualifications delivered in the context of gaining or improving work related skills which will help unemployed individuals, including those from workless households, apply for and keep a job. Jobcentre Plus customers are able to access this programme from the first day of their new claim. The criteria for access to the programme have been widened to allow learners with a wider spectrum of needs to benefit from this type of provision, for example, claimants on Incapacity Benefits and lone parents.

25. A range of information and promotional materials has been developed jointly by DIUS, DWP, LSC and Jobcentre Plus to encourage hard to-reach customers to engage in this type of learning. Training providers routinely market the courses and make customers aware of the impact qualifications will have on their employability. Promotional materials are available to Jobcentre Plus personal advisers as well as providers free of charge.

26. DIUS and the LSC, together with a range of partners, promote basic skills (Skills for Life) courses through a wide variety of campaigns, events, outreach activities and ongoing PR activity. The successful 'Get On' marketing campaign promotes both the employability and personal benefits of improved literacy/numeracy skills and gaining qualifications. The campaign running in March/April 2008 is focusing on numeracy skills with a high-profile national media campaign. Colleges and learning providers are able to link with the Get On campaign locally and target priority areas and priority groups of adults.

PAC Conclusion 9: The Department could not tell us how many of the 2.9 million people who had started a New Deal programme were still participating in it; nor what proportion of workless households chose not to work rather than being out of work due to personal circumstances. The Department needs such information to inform its forward strategy, including better estimates of the numbers in the hardest to reach groups and success rates in promoting employment amongst the workless.

27. The latest figures, published at the end of May 2007, 460,000 people were participating in the New Deal; some of these people will have had a previous spell on a New Deal programme. The Labour Force Survey, published by the Office for National Statistics, also provides some information on the reasons why people are economically inactive and the labour market outcomes of key target groups are regularly monitored.

28. However, it should be noted that the majority of people claiming the main income-related benefits are not in a position to choose not to work. Certain criteria must be satisfied before a successful benefit claim can be made. JSA recipients are required to be available for and to actively look for work as a condition of receiving benefit. Similarly, there must be sufficient medical grounds, which prevent working to claim Incapacity Benefit.

29. Although lone parents are not currently required to seek work, it is now mandatory to participate in Work Focused Interviews. The Government has also announced that from October 2008 lone parents with a youngest child aged 12 or above would no longer be able to claim Income Support as a lone parent, and that this age threshold should be further reduced to ten years old in 2009 and seven years old in October 2010. The Department's move towards greater compulsion to engage in work-related activity will further limit any benefit claimants' ability to choose not to work.

Tenth Report

Department for Innovation, Universities and Skills (DIUS)

Staying the course: the retention of students on higher education courses

1. This report by the Public Accounts Committee was about the retention of students on higher education courses. Their concerns centred on their perception that there had been little improvement in retention since 2001-02, though participation in higher education had increased from around 40 per cent to nearly 43 per cent of 18-30 year-olds.

PAC Conclusion 1: Since the Committee last reported in 2002 there has been no reduction in the percentage of students in England not completing their higher education course at their original institution: the figure remains at 22 per cent. The UK has a higher estimated national graduation rate than most other Organisation for Economic Cooperation and Development countries, but actions to improve retention have had little overall effect. Universities need to concentrate their efforts on actions most likely to be successful. The Funding Council should systematically evaluate the cost-effectiveness and impact of initiatives that it has directly funded. It should also provide guidance to universities on how best to assess the costs and outcomes of local initiatives.

2. The Department of Innovation, Universities and Skills (the Department) and the Higher education Funding Council for England (the Funding Council) welcome the Committee's conclusion that the UK has a high level of student retention when compared to most other Organisation for Economic Co-operation and Development countries, and that this has been achieved and maintained during a period when higher education has been opened up to both increased numbers and a greater diversity of students.

3. The Department and the Funding Council also support the recommendation that universities should concentrate their efforts on actions most likely to be successful. The Funding Council is committed to understanding what works and why and will therefore evaluate the cost-effectiveness and impact of all projects that they fund directly.

4. The Funding Council and the National Audit Office held three regional events in March and April for senior managers in universities which provided an opportunity to identify and share good practice. The Funding Council has also recently announced a grants programme, in collaboration with the Paul Hamlyn Foundation, to help universities to share, evaluate and disseminate institutional good practice in relation to student retention.

PAC Conclusion 2: Increasing and widening participation in higher education attracts more students from under-represented groups who are more likely to withdraw from courses early. These students may need more support to complete their courses. Universities need to understand the needs of their changing student populations. They should use market research techniques such as customer segmentation to help them provide teaching and support services which appropriately reflect students' different cultural, social and economic backgrounds, for example through flexible timetabling of lectures. The Funding Council should disseminate the lessons from its proposed review of the differences between universities in the proportions of students receiving Disabled Students' Allowances.

5. The Department and the Funding Council agree with the recommendation that universities need to understand the needs of their changing student populations. There are already a number of examples of good practice in this area and the joint programme with the Paul Hamlyn Foundation will encourage proposals that focus on recommendations in the National Audit Office and Public Accounts Committee reports.

6. The Funding Council is funding eight pathfinder projects to support the development of flexible learning based on a range of models, including projects which look at the timetable and structure of the academic year; two year fast-track degrees; four-year extended degrees; work-based learning degrees; and distance learning. An evaluation report will be published in early 2009 and will include recommendations on how further flexibility in higher education provision might be developed.

7. As part of the review of its policy as it relates to disabled students, the Funding Council has commissioned research to look at, among other things, variation of support across institutions and how this impacts on varying levels of Disabled Students' Allowances take-up. This research will be completed in the autumn and the Funding Council will publish and disseminate its findings widely.

PAC Conclusion 3: There is wide variation in universities' performance in the continuation of students to a second year of study. In 2004-05, five universities achieved a continuation rate in excess of 97 per cent for full-time, first-degree students, whereas 12 had continuation rates below 87 per cent. Russell Group universities tend to have higher rates of retention than other types of university. For those universities with consistently low retention rates the Funding Council's regional teams should agree specific improvement plans. The Funding Council should encourage universities with better retention to share good practice with those that are less successful.

8. The Department and the Funding Council accept this recommendation. On average, the Russell Group universities have the highest continuation rates for full-time students and the universities created after 1992 have the lowest rates overall. These broad variations largely reflect the types of students they enrol and their level of pre-entry qualifications, and are not necessarily an indicator of best practice in retention and student success.

9. It is important not to confuse genuine drop out from a course with a student leaving a course to transfer to another higher education course at a different institution. While the proportion of full-time first degree starters who have gained a degree at their original institution has shown little change in recent years, the proportion of starters projected to neither obtain an award nor to transfer to another higher education institution has reduced from 15.8 per cent in the 1998-99 academic year to 13.8 per cent in the 2004-05 academic year in England.

10. The Funding Council is also concerned about institutions where continuation rates are significantly below benchmark – that is, where rates are lower after taking into account students' entry qualifications and subjects. The Funding Council is already in discussions with several institutions about specific improvement proposals. The Funding Council's regional teams will intensify the Council's work with institutions, agreeing specific improvement plans with institutions significantly below benchmark.

11. The Funding Council will look to link together institutions with similar intake but different retention outcomes, and institutions with similar good retention outcomes, but different means of achieving it, in order to contribute to a practice of continuous improvement across the sector. The joint programme with the Paul Hamlyn Foundation will also encourage collaborative proposals so that universities with better retention can share good practice with those that are less successful.

PAC Conclusion 4: Universities can lose funding if they retain fewer students than expected, but can avoid this sanction by recruiting more students. Where a university with low retention seeks to maintain its student population through recruitment, the Funding Council should agree clear expectations for planned improvements in retention in the university's improvement plan, to be met irrespective of any changes in levels of recruitment.

12. The Department and the Funding Council are not aware of any evidence that institutions are behaving in this way and do not believe that a strategy of this sort would be effective. This is because the Funding Council only funds those students who complete their year, so universities that recruit students who drop out before the end of the academic year would incur greater costs with no income. Even after the 2009-10 academic year, when institutions will be funded for students completing part of a year, there is no incentive simply to replace students who withdraw. There remains a real financial penalty for failure to retain students.

13. The Funding Council will establish a clear expectation with the higher education sector for planned improvements in retention irrespective of changes in the level of recruitment.

PAC Conclusion 5: Only around half of part-time students obtain a qualification within six years and there is no specific framework to encourage improvement. The Funding Council should develop and publish indicators so that prospective part-time students can compare universities' retention of students who are unable to, or prefer not to, study full time.

14. The Funding Council currently publishes continuation data for part-time students on the Unistats website (www.unistats.com). This enables potential applicants to higher education to compare continuation rates by subject, among institutions to which they are interested in applying.

15. There are currently no performance indicators for part-time study. This is because the interpretation of part-time completion is much more difficult than for full-time. Some part-time study is similar to full-time, with students following a structured course with a formal expected course length and with the intention of gaining a qualification. Some is highly flexible with most students having no intention of working through to a qualification.

16. For a statistic to be a performance indicator, or a target, the Department and the Funding Council need to be sure that completion is an appropriate measure of performance. Following the review of performance indicators in 2007, the Funding Council is considering how the range of performance indicators can be expanded to include part-time continuation and completion statistics. However, there are still problems in identifying the part-time provision where it can reasonably be assumed that completion is the aim. Preliminary work to establish the feasibility of performance indicators relating to part-time continuation and completion will be completed in the autumn.

17. In some cases completion of modules of a qualification may provide a significant benefit to individual learners and their employers – hence should be seen as a successful outcome. The increasing availability of credit for individual modules will help learners gain recognition for their achievements and return to learning at a later date.

PAC Conclusion 6: The first-year continuation rate in Mathematical Science, Computing and Engineering subjects is three percentage points below the national average for all subjects. Such subjects are of strategic importance to the nation's economic development, so universities need to have well-developed outreach programmes with schools. Programmes could include running summer schools for prospective students in these subjects and offering mentoring to help prepare students.

18. The Department and the Funding Council fully recognise the strategic importance of the Science, Technology, Engineering and Mathematics (STEM) subjects to UK's economic development. The Funding Council is supporting these subjects in a number of ways, including:

- providing £75 million extra support over three years to high-cost science subjects in universities; and
- four pilot demand-raising projects:
 - London Engineering Project (£2.85 million, run by Royal Academy of Engineering and partners);
 - Stimulating Physics (£1.785 million, Institute of Physics);
 - Chemistry for our future (£3.6 million, Royal Society of Chemistry); and
 - More Maths Grads (£3.3 million, run by a consortium of mathematical societies and the Higher Education Academy Subject Centre for Mathematics, Statistics and Operational Research).

19. The Funding Council proposes to bring these four demand-raising projects together into an integrated higher education programme from August 2009, looking at enhancement and enrichment activities in schools; improving information, advice and guidance given to young people; increasing the capacity of teachers to deliver STEM subjects; and engaging higher education curricula and alignment with the national curriculum for schools. These activities are designed to prepare young people better for STEM subjects and to facilitate better links between universities and schools.

20. The Government has put in place a strong programme of work to create an education and training environment that delivers the best in science and mathematics teaching and learning in schools with the overall aim of getting more young people to study STEM subjects beyond 16. This includes making sure young people have the right sort of qualifications and skills they will need for further learning.

21. In addition, the Funding Council provides funding for outreach activities such as summer schools and mentoring to support STEM subjects through the widening participation allocation and Aimhigher.

PAC Conclusion 7: Some students feel that academic and pastoral support is limited and does not meet their needs. Universities should give personal tutoring a sufficiently high priority, with training and support to help tutors to be fully effective in their role. Reward systems for academic staff should give sufficient recognition to performance in respect of personal tuition.

22. The Department and the Funding Council agree with this recommendation. They recognise the importance of academic and pastoral support and will encourage universities to review such provision in the context of their management of their overall resource. Academic and pastoral support will also form part of the discussions that the Funding Council's regional teams have with universities.

PAC Conclusion 8: Information on why students withdraw from their courses is not reliable. Although some data is collected nationally it is often incomplete and inconsistent. Little is known, for example, as to the extent to which mental or physical illness or domestic circumstances contribute to withdrawal. The Funding Council together with the Higher Education Statistics Agency and universities should develop a common standard and principles, which define the types of retention information which need to be collected and reported.

23. Previous attempts to capture such information via the Higher Education Statistics Agency (HESA) record did not deliver sufficiently reliable data. However, the Funding Council will explore with HESA and universities how we can collect reliable data in this area. To ensure that the burden and cost implications for universities are proportionate, it may be necessary to consider methods, which involve collecting data on a sample basis rather than collecting data centrally for every student, every year.

PAC Conclusion 9: There are substantial variations between universities in the proportions of students with disabilities that receive the Disabled Students' Allowances. The Department and the Funding Council are responding to this issue by centralising the team that administers the Allowances. The Department should aim to make access straightforward and fair for all, and the Funding Council should follow up at university-level if its forthcoming research indicates that eligible students are missing out on their entitlement.

24. The Department fully agrees that access to the Disabled Students' Allowance should be straightforward and fair for all. The Department's plans for the Student Loans Company to administer the Disabled Students' Allowances (and all other forms of targeted support) for new students applying to attend university in the 2009-10 academic year from September 2008 will ensure that a consistent, high quality service is available to all students wherever they live in the country. The Funding Council has commissioned research from the University of Leeds to conclude in the autumn, which will inform future guidance for the sector.

Eleventh Report

Department for Business, Enterprise and Regulatory Reform (BERR)

Compensation scheme for former Icelandic water trawlermen

1. The Department for Business, Enterprise and Regulatory Reform (the Department) welcomes this report made by the Committee of Public Accounts, which considered the way in which the Department implemented the Icelandic water trawlermen compensation scheme between October 2000 and October 2002, and the lessons to be learned from the scheme.

2. In the light of concerns expressed by the Parliamentary Ombudsman, the Department is currently investigating further the breaks rule in the scheme. This will involve further examination of the scheme eligibility criteria, including the list of eligible vessels, and whether there might be scenarios where changes to the scheme rules would better fulfil the policy intentions of the scheme. The Department should then be in a position to decide whether to re-run the scheme or not.

PAC Conclusion 1: By November 2007, the Department had paid over £42 million in compensation to 4,400 former Icelandic trawlermen and their dependents. The scheme was complex to administer, and the Department made many of the same mistakes that it made in managing its Coal Compensation Scheme. The Department should set out the lessons in this Committee's reports on these schemes and secure a marked improvement in future schemes of this kind.

3. *Managing Public Money*, the Treasury's new guidance on ethics in the use of public funds, published in October 2007, contains advice on operating compensation schemes. The Department is determined that future schemes should learn the lessons from previous schemes.

PAC Conclusion 2: The Department did not properly consider how it would obtain and assess the evidence needed to support claims more than 20 years after the end of the 'Cod Wars'. The Department should test the availability of evidence on real cases before launching new compensation schemes.

4. The Department agrees with the Committee. The Department was under considerable pressure to launch the scheme, and this was partly responsible for the difficulties that arose in connection with the scheme (including those identified by the PAC in Conclusions 2 to 5). The Department discussed the need to verify whether vessels had fished in Icelandic waters with the British Fishing Association before the scheme was launched, but the list of vessels (and the task of verifying them) turned out to be much longer than expected. The Department accepts that the need to re-establish a gateway for national insurance information with HMRC should have been foreseen and that this information (when obtained) was sometimes inconclusive in establishing whether claimants had worked outside the fishing industry.

PAC Conclusion 3: The Department did not understand the working practices of the fishing industry when designing the scheme. So it set complex rules that were difficult to implement. The Department should establish whether it has the appropriate industry knowledge before setting the terms of grant schemes, and seek external advice if it does not.

5. The Department agrees with the Committee. The Department consulted with the fishing industry before the scheme was launched, but clearly the work done was insufficient. This is shown by the difficulties that arose after the scheme was launched, for example, in establishing the full list of Icelandic fishing vessels.

PAC Conclusion 4: The Department did not test the impact of the scheme's rules on different types of applicant before launching the scheme. The Department should pilot the proposed rules using a cross section of different types of applicant. It should use the results of this pilot to determine what changes are needed to enable delivery of the scheme's objectives.

6. The Department accepts that it should have considered a pilot of the scheme rules before launching the scheme. A pilot might have identified some of the difficulties that arose later. It might then have been possible to take these factors into account in designing the scheme.

PAC Conclusion 5: In 25 of 100 cases, there was insufficient evidence to say whether payments made by the Department accorded with the scheme's rules. The Department needs to put explicit criteria and procedures in place to help officials to exercise discretion on cases where the evidence may be incomplete. Decisions and their justification should be fully recorded.

7. The Department agrees with the Committee. This issue arose because national insurance evidence was not sufficiently conclusive in some cases, to enable the Department to be certain whether claimants had worked outside the fishing industry during lengthy breaks in service. The Department accepts the need for future schemes to be designed in a way that better relates to the evidence available, or to put clear criteria and procedures in place wherever discretion is needed.

PAC Conclusion 6: The Department did not employ proper project planning and risk management arrangements at the start of the scheme. It needs to improve the project delivery skills and experience of its managers and policy staff by, for example, giving officials practical operation experience; participating in the Professional Skills for Government programme; and seconding staff into operational posts in the commercial sector.

8. The Department accepts the need for better project planning and risk management at the outset of similar schemes. The Professional Skills for Government programme is intended to ensure that people working in the Civil Service gain broader experience and gain programme project management skills.

9. The Department operates two internal schemes to deliver good standards of programme and project management:

- a project centre to provide advice to the Department and its arms length bodies; and
- a project pool able to deploy seasoned staff to support individual programmes and projects.

Twelfth Report

Department for Business Enterprise & Regulatory Reform (BERR)

Coal Health Compensation Schemes

1. The Department for Business Enterprise & Regulatory Reform (the Department) welcomes this report by the Public Accounts Committee (PAC) in which it examines the Department's management of the schemes it set up to handle miners' compensation claims for Chronic Obstructive Pulmonary Disease (COPD) and Vibration White Finger (VWF). The Department accepts the Committee's conclusions that it was initially ill prepared to handle these liabilities; its early negotiations with the solicitors on their tariffs for representing claimants were weak; that the schemes are more costly to administer than they might have been, and some solicitors have made unfair deductions from their clients' compensation. It is also fully accepted that some claimants have had to wait too long for their compensation awards.

2. The Department also welcomes the PAC's acknowledgment that the schemes posed a formidable challenge, especially in their early years. The schemes are the biggest of their kind and the Department will endeavour to apply lessons learned from administration of the current schemes' to completing the compensation process and planning to manage future health related liabilities arising from the former British Coal Corporation.

PAC Conclusion 1: At the end of September 2007 the Coal Health Compensation Schemes had settled almost 650,000 claims but some 128,000 cases were still waiting settlement, some of which had waited up to ten years or more. The Department and its contractors, working with solicitors, should retain sufficient numbers of skilled staff to settle the remaining claims as soon as possible.

3. The Department fully agrees that skilled staff should be retained and is working with its contractors to this objective whilst ensuring unnecessary additional expenditure is not incurred. As of 30 March 2008 the Department had fully settled 163,837 VWF claims with 5,569 claims still to be settled and for COPD the position is that 524,223 claims are settled with 67,532 claims remaining resolution. On VWF we expect to be substantially complete (less than 300 claims remaining) by Autumn 2008 and on COPD we expect to be substantially complete (less than 500 claims remaining) by Summer 2009, subject to the resolution of outstanding issues, either via negotiation or through the courts.

4. To achieve the settlement of remaining claims the Department and its contractors need the assistance of claimants and their solicitors by turning round remaining requests for information as quickly as possible. Furthermore, many of the outstanding COPD claims involve co-defendants who share liability with the Department and resolution is not therefore solely within the Department's direct control. The Department is seeking a Court Order to address the resolution of co-defendant claims during a Court Hearing in week beginning 19 May 2008.

PAC Conclusion 2: The Department did not undertake a systematic appraisal of the alternatives to a court-based scheme. Prior to the court's judgment, it had considered the possibility of putting the schemes on a statutory footing, where Parliament rather than the courts would determine the schemes' rules, but did not take this or other possible options further.

and

PAC Conclusion 3: The Department did not seek actuarial advice during the planning phase. As a result, it underestimated the likely volume of claims by over 300 per cent and allocated an insufficient number of staff to manage the liability. Departments faced with establishing new compensation schemes should obtain professional actuarial advice to help inform decisions on scheme design and implementation.

5. The Department accepts the criticism that it did not undertake a systematic options appraisal at a senior level, nor seek early actuarial advice at the time it inherited these health liabilities from the British Coal Corporation. Whilst the Department did consider some alternatives to the Court based schemes these were not reviewed in a sufficiently systematic way. To address this, the Department now uses the independently chaired Coal Liabilities Strategy Board to review key strategic issues.

6. Actuarial assessments in the area of personal injury liability assessment remain challenging. The Department's recent experience of commissioning a new comprehensive independent assessment of the current actuarial position on the coal health related liabilities demonstrates that any analysis produces forecasts that are subject to significant uncertainty for a very significant proportion of the potential liability.

PAC Conclusion 4: For every £2 paid out in compensation more than £1 has been spent on administration. For the COPD scheme, around 69 per cent of claimants receiving compensation got less than the average cost of administering a claim. When drawing up compensation schemes Departments should test fast-track options for dealing with simpler claims to help reduce costs and provide a better service.

7. The Department fully agrees that any scheme should be kept simple and delivered as speedily as possible. The COPD Fast Track scheme was introduced on the basis of seeking to speed up the resolution of claims and reduce costs of administration. It was a risk offer scheme based on evidence from handling the first 100,000 claims. This gave the Department and Treasury (and the Court) robust empirical evidence upon which to introduce a scheme for the less legally robust claims many of which were registered close to the closure of the Scheme.

8. In developing Fast Track options a clear balance needs to be struck between evidence to support claims and the costs involved in establishing liability. The Department's experience suggests that operational evidence and modelling informs the decision making process. There are also challenges associated with managing claimant expectations on timescales and their ability to switch between Fast Track and main scheme options.

PAC Conclusion 5: The Department's negotiation with solicitors on the original tariff was weak and has led to significant costs. The Department did not include a review clause in its tariffs. Once its initial assumptions proved wrong it found itself locked into an expensive contract.

9. The Department agrees with the PAC's conclusion. However those involved in the negotiations only had limited information available to them at the time and, as the NAO acknowledged, were under pressure to reach agreement. The criticism of the absence of a review clause is noted although, as the NAO accepted, such a clause might also have been used by other parties to increase the tariffs.

10. The Department has pursued reductions for COPD Fast Track tariff paid to solicitors for handling claims very rigorously and achieved savings of around £100 million. Savings of approximately a further £20 million have been achieved for the fees paid to solicitors for handling VWF Services claims. The Department continues to challenge the fees paid to solicitors where it is right to do so and is consistent with our contractual obligations.

PAC Conclusion 6: The Department has recouped about £41.8 million of the £80.6 million it expects to be repaid by solicitors following a recent court ruling on the tariff for dealing with fast-track COPD cases. The Department should take vigorous action to pursue the amounts outstanding.

11. The Department welcomes the PAC's recommendation. As at 31 March 2008 the Department had recovered £65,611,041 million from solicitors representing 81.4 per cent of the debt to be recovered. This has been achieved via a combination of both lump sum and set off arrangements against other fees to be paid. Set off recovery ceased on 31 March 2008 and firms with outstanding debts now have until the end of May 2008 to settle their account. Those not complying will be subject to recovery action via the Court. In certain cases the Department has agreed individual repayment arrangements consistent with the wider objective of COPD scheme completion in the interests of the claimants represented by those firms.

PAC Conclusion 7: Some applicants, many of them elderly and ill, have found themselves paying additional charges to solicitors and other firms. In some of these cases the firms did not properly inform claimants at the outset about these extra charges. The Department should continue to press the professional bodies to achieve repayment in full of all inappropriately levied charges.

12. The Coal Health Compensation Schemes have highlighted significant issues of professional conduct by some representatives of claimants. The Department and the Ministry of Justice are working closely to support the Legal Complaints Service (LCS) and Solicitors Regulatory Authority (SRA) in their pursuit of those firms that have acted unfairly towards their clients. In particular the LCS is working on a plan to roll out nationally elements of their successful Rother Valley pilot, which provided assistance and advice to claimants in seeking to recover deductions made from compensation unfairly.

Thirteenth Report

Department for Work and Pensions (DWP)

Sustainable employment: supporting people to stay in work and advance

1. The Government is committed to helping people gain sustainable employment, and recognises the essential role of skills and training to support people to achieve that goal. The Departments for Work and Pensions (DWP) and Innovation, Universities and Skills (DIUS) are working closely together to ensure that high quality; relevant training is well integrated within wider employment services.

2. In the UK around 7 million people start a new job every year. This is a sign of a healthy and dynamic labour market. It is inevitable in these circumstances that a proportion of those who move from benefits into work may return to claiming benefits at some point in the future. In many cases this will reflect the normal process of an individual moving between jobs as part of finding the right job match for their circumstances.

3. Not all unemployed people are trapped in this cycle. In the five-year period between 2002 and 2006, of the 6.5 million people who experienced at least some time on Jobseeker's Allowance (JSA), only a quarter experienced more than two spells on JSA over the period. Compared to the same period ten years before, there are now far fewer people experiencing what might be termed problem repeating – those who have a significant total duration on benefit built up over multiple spells.

4. However, the Department agrees with the Committee that more can be done to help people who are cycling between benefits and work. In November 2007, DWP and DIUS published *Opportunity, Employment and Progression: making skills work*.⁷ This set out the Government's plans to integrate employment and skills services to deliver sustainable jobs.

PAC Conclusion 1: Over a fifth of people who leave benefits and enter work return to Jobseeker's Allowance within 13 weeks, and 40 per cent are back on benefits within six months. Despite high employment levels many people cycle between work and benefits. Improving job sustainability and reducing the time that repeat claimants spend on benefit by 50 per cent could save some £520 million a year.

5. Since 1997 the number of people in work has risen to record levels and the number of people on key out of work benefits has fallen by over a million so it is clear that over the long term there is significant movement from benefits into work. However, the Department agrees with the Committee that more needs to be done to stop people cycling between work and benefits and to help more people to move into sustained work.

⁷ *Opportunity, Employment and Progression: making skills work*, 2007 (Cm 7288).

6. While the majority of those starting the New Deal go through the programme only once, customers who do not remain in employment after leaving New Deal and who subsequently return to claim an out-of-work benefit still benefit from their time on the programme. Evidence shows that, on average, those entering the New Deal for the second time leave the programme more quickly than in their first spell, and are more likely to leave to employment. Over one million people have already moved off Jobseeker's Allowance into work through the New Deals and there are now far fewer people experiencing multiple spells on Jobseeker's Allowance than a decade ago.

7. The Department wants to build on the success of its programmes so far and go further in helping this group. The Flexible New Deal, which will replace the JSA New Deals from October 2009, will allow people with a history of benefit reliance or facing particular barriers to work to be referred earlier to more intensive support. The Department expects that the more personalised help in the flexible New Deal, along with payment by results, will significantly reduce the numbers who are caught in repeated spells of long-term unemployment.

PAC Conclusion 2: Information is lacking on how long people stay in work and the reasons why they return to benefit. Such information should be used by the relevant departments to design programmes, which better reflect the needs of those most at risk of temporary employment and in particular better matching of people to jobs and providing in work support, such as mentoring and facilitating access to training opportunities.

8. The average duration of jobs in the economy as a whole has been increasing since 1997. The latest data show that 80 per cent of people have been in their current job for more than one year, 70 per cent for more than two years and around half for more than five years. Concurrently, the number of people experiencing any unemployment at all has fallen sharply – from 10.5 million during the period 1992-96 to 6.5 million in 2002-06. Within this smaller group experiencing unemployment, there has been a shift towards less time spent in unemployment in fewer spells.

9. The Department agrees with the Committee that determining why people return to benefits is vital to the design of effective employment and skills programmes. Extensive research is conducted into the barriers to sustained employment and it is clear that a complex range of issues can threaten job retention. The DWP, for example, published *Persistent employment disadvantage*⁸ in February 2007, which compared employment disadvantages across a number of social groups. The former Department for Education and Skills and DWP worked to develop a shared evidence base, publishing a joint survey of evidence in January 2007⁹. Research of this nature is used across Government to inform the development of future strategy and programmes.

10. The Employment Retention and Advancement demonstration project (ERA) was implemented in 2003 to test the effectiveness of providing in-work support and financial incentives to lone parents and long term unemployed people. ERA is central to developing our understanding of what works in aiding sustainable employment. A report on the implementation and first year impacts of ERA was published in February 2007¹⁰ and has already found positive effects for lone parents. ERA will continue to feed into our evidence base as further findings become available over the next three years.

⁸ DWP Research Report No. 416, *Persistent employment disadvantage*, Richard Berthoud and Morten Blekesaune, 2007.

⁹ *DfES and DWP: A Shared Evidence Base – The Role of Skills in the Labour Market*, January 2007.

¹⁰ DWP Research Report No. 412, *Implementation and first-year impacts of the UK Employment Retention and Advancement (ERA) demonstration*, 2007.

PAC Conclusion 3: Thirteen weeks is too short a time for a job to be considered sustainable. The Department for Work and Pensions is now developing indicators to demonstrate its longer-term impact on sustainable employment. Success also depends on skills development, which is the responsibility of the Department for Innovation, Universities and Skills. Both Departments should implement an integrated performance measurement system that tracks the impact of their support over a longer period drawing on good practice internationally.

11. The new Employment Public Service Agreement includes as an indicator the extent to which customers return to benefit after a period in work. The Department has given providers on a range of programmes, such as Workstep, incentives to deliver sustained job outcomes of longer than 13 weeks.

12. DWP published a new commissioning strategy in February 2008¹¹. DWP will increasingly be including an element in the overall payment to providers, which rewards sustained job outcomes of at least six months.

13. In *World Class Skills*¹² the Government welcomed Lord Leitch's recommendation to have a shared objective of sustainable employment and progression for DIUS and DWP. In order to have a truly shared objective, measuring both retention and progression, DWP and DIUS will need to be able to share analytical data both between themselves and with HM Revenue and Customs. There are clauses contained in the Education and Skills Bill currently passing through Parliament that will allow this necessary data sharing.

PAC Conclusion 4: People with the lowest skills are the least likely to be trained by their employers. Gaining vocational qualifications in the work place can improve the earnings and productivity of low skilled adults but depends on the willingness of employers to support such training. Train to Gain provides fully subsidised training for low-skilled workers up to a first full Level 2 qualification (equivalent to five GCSEs at grades A*-C) and has been successful in engaging hard-to-reach employers. A full evaluation is needed of how this success was achieved so that lessons learned can be applied more widely and to other business sectors particularly where there are skills shortages.

14. The Department for Innovation, Universities and Skills accepts this recommendation, and is committed to a full evaluation programme for Train to Gain, with the first reports being planned for spring 2008. The evaluation of the Employer Training Pilots (ETP) established the features employers found most attractive including subsidies for training and provision of flexibly delivered training. The design of Train to Gain took the lessons learnt from ETP into account, thereby ensuring skills brokerage is at the core of an integrated service.

15. The finding that deadweight was high in ETP led to the definition of "hard to reach" employers in Train to Gain and a target that at least 51per cent of employersengaged should befrom this category. This target has consistently been substantially exceeded.

¹¹ 'DWP Commissioning Strategy' (Cm 7330).

¹² World Class Skills: Implementing the Leitch Review of Skills in England (Cm 7181).

16. Train to Gain investment will rise from £520m in 2007-08 to over £1billion in 2010-11. DIUS is committed to developing and expanding the programme to become a service that employers can use to meet the full range of their training needs, including matched funding for Level 3 programmes in 2008/09. The Train to Gain programme will also help employers deliver the Skills Pledge in England, and will support Management and Leadership development for SMEs. *Train to Gain: A Plan for Growth*¹³ published November 2007 sets out how the Department intends to expand and improve Train to Gain to work more effectively for employers.

17. Train to Gain has already supported many employers and individuals to raise skill levels. The latest Management Information suggests that since roll out of the national programme began in April 2006, the cumulative number of Employer Engagements has risen to over 75,000, and Learner Starts have risen to over 350,000.

18. Sector compacts, to be agreed with each Sector Skills Council, will tailor Train to Gain to meet the specific skill needs of employers in each sector. Joint investment planning will ensure that public funds and employer funding work together to boost the skills of employees and improve employer productivity.

19. The Department is working to ensure a joined up offer to employers by aligning Train to Gain with Local Employment Partnerships, to ensure those disadvantaged in the labour market receive both pre-employment and in-employment support, training and development.

PAC Conclusion 5: There is a risk of the regulatory burden on employers reducing the time and resources they have to train staff at work. The Department for Innovation, Universities and Skills wants to package the in-work training it offers into more coherent programmes that are easier for employers to navigate. It needs to work with employers if it is to achieve a demand-led system that actually provides staff with the training they need.

20. DIUS is closely involved in the Business Support Simplification Programme, which aims to simplify and reduce the overall number of business support schemes within the UK from around 3,000 to 100. Within that programme, the aim is to have a single service for employers that supports their training needs, based on Train to Gain. Monitoring shows that Train to Gain brokerage already has very high satisfaction rates with employers engaged in Train to Gain.

21. *Train to Gain: A Plan for Growth*¹⁴ sets out how the Department intends to develop Train to Gain as a way of delivering to employers what they want in the way they want it; covering all areas of training support and integrated with wider business support brokerage. All of this represents a major step forward in integrating and simplifying the service for employers, with an approach that is genuinely demand led.

PAC Conclusion 6: Disadvantaged workers such as the long-term unemployed, those with poor numeracy or literacy and lone parents still encounter difficulties in accessing sound advice on local learning opportunities and how these will increase their employability. Accessibility has improved through more advice becoming available face-to-face, on the telephone and on-line. But Jobcentre Plus needs to develop outreach networks targeted at helping disadvantaged people who are unlikely to seek advice through traditional routes.

¹³ http://www.dius.gov.uk/publications/TTG_combined.pdf

¹⁴ http://www.dius.gov.uk/publications/TTG_combined.pdf

22. Jobcentre Plus makes available information in a wide variety of ways; face-to-face, telephone and on line. In addition, information about the services it offers is made available to people through a wide range of other governmental organisations, for example local strategic partnerships, and through many voluntary organisations and community groups. These links are being continually improved.

23. DIUS and DWP are working with partners to develop a universal adult advancement and careers service to help people improve their skills, move into sustainable employment and progress in work. While all adults will be able to access the service, resources will be targeted at those who need the most support, including unemployed people and those with low skills. There will also be provision of better-integrated financial support for those with the lowest skills and qualifications. A key aspect of the new service will be its work with other advisory services, including the voluntary and community sector, to join up advice services across a range of issues including housing, employment rights and childcare as well skills and jobs.

24. DWP accepts the need for outreach activity to ensure that the new service is accessible to those who need most help. The aim is to provide access to the service in a wide range of settings including co-location with Jobcentre Plus, colleges, libraries, voluntary and community organisations and through union learning representatives, thereby opening up opportunities for people who are unlikely to seek advice through traditional routes. The joining up of advisory services as part of a 'no wrong door' approach will contribute to this. The full new service is expected to be operational in England from 2010-11.

PAC Conclusion 7: Businesses are unlikely to participate in Local Employment Partnerships if the civil service itself is reluctant to use the partnerships as a source of recruitment. The partnerships, established by Jobcentre Plus, are intended to match up people most disadvantaged in the labour market with local job opportunities. The Department for Work and Pensions should establish a cross-Whitehall protocol on participation supported by practical advice for the wider public sector on the likely benefits.

25. In January 2008, the Cabinet Secretary, Sir Gus O'Donnell, wrote to all Government Departments asking each to commit to working through Local Employment Partnerships (LEPs) in their workforce planning and recruitment. A group of permanent secretaries, chaired by David Bell, permanent secretary at the Department for Children, Schools and Families, has lead work to ensure Government Departments sign up to LEPs by 31 March 2008.

26. DWP aims to be an exemplar employer, both in relation to its own recruitment and in agreeing to develop and communicate best practice and case studies to other Departments. Accordingly, the DWP is leading discussions with the Civil Service Commissioners regarding the Civil Service Recruitment Code to allow Departments to recruit a more diverse workforce through LEPs.

27. The wider public sector has responded positively to working in partnership through LEPs. At the end of February 2008, over 140 public sector bodies, including many local Authorities and NHS Trusts, had already committed to working through LEPs in their recruitment plans.

PAC Conclusion 8: The new Skills Accounts scheme will allow learners to decide which training to purchase from a range of accredited learning providers, but it has not yet been risk-tested against malpractice. The Individual Learner Accounts programme was terminated in 2001 following evidence of abuse and revelations about the potential scope for fraudulent claims. The Department for Innovation, Universities and Skills' new scheme needs to be thoroughly risk-tested before being rolled-out nationally.

28. DIUS agrees fully that public funds need to be safeguarded through secure and tested mechanisms. Funds accessed through Skills Accounts will flow to providers using tried and tested methods and will only go to accredited providers that meet strong Learning and Skills Council (LSC) quality assurance tests. This means that, unlike Individual Learner Accounts (ILAs), an individual will only be able to use their account at a defined set of quality assured providers. DIUS is committed to thorough risk testing of the Skills Accounts systems to ensure that there is no scope for malpractice. Internal Auditors in DIUS and LSC will undertake a joint review of the development of Skills Accounts trials in 2008-09. In addition, DIUS and LSC will set up a Fraud Group to include policy and internal audit representatives, as well as fraud investigation specialists from both organisations.

29. Learning from ILAs, DIUS will ensure the discipline of good project management is utilised, including rigorous monitoring of risks and issues. DIUS has also initiated the process for an OGC Gateway Review of the project, and this will take place in early summer. DIUS is confident that the lessons learned from ILAs will be embedded into the new Skills Accounts project and is risk testing through a trialing approach ahead of national rollout. Trials of Skills Accounts will begin in autumn 2008 and will learn from the current trials of Adult Learner Accounts in the South East and East Midlands, and from ILAs. Full national roll-out of Skills Accounts will begin in 2010, with the aspiration that £500 million will be accessed by individuals that year, rising to £1.5 billion by 2015 at the latest.



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