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Work and Pensions Committee

Oral evidence: The DWP's response to the coronavirus outbreak, HC 178

Wednesday 25 March 2020

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Members present: Stephen Timms (Chair); Selaine Saxby; Dr Ben Spencer; Chris Stephens; Sir Desmond Swayne.

Questions 1-64

Witnesses

I: The Rt Hon Thérèse Coffey MP, Secretary of State for Work and Pensions, and Peter Schofield, Permanent Secretary, Department for Work and Pensions.



Examination of witnesses

Witnesses: The Rt Hon Thérèse Coffey MP and Peter Schofield, Permanent Secretary, Department for Work and Pensions.

Q1 **Chair:** I bid you both a very warm welcome. Thank you very much for being willing to come in these difficult circumstances, and let me put on record my thanks to the members of the Committee who have also made it, and the team that is supporting us this morning, too. Thank you all very much for being here.

For the record, can I ask you both to introduce yourselves?

Dr Coffey: I am Thérèse Coffey. I am Secretary of State for the Department for Work and Pensions.

Peter Schofield: I am Peter Schofield. I am the Permanent Secretary at the Department for Work and Pensions.

Q2 **Chair:** Thank you both very much indeed. Can I start with a few points? Secretary of State, we have corresponded about people working legally in the UK who do not have any recourse to public funds. They cannot apply for Universal Credit. If they self-isolated, they would have no income in many cases. I also raised this with the Home Secretary in the House on Monday. She said, and I quote: "We are already working on a range of measures across Government, working with the Department for Work and Pensions". How is that work going?

Dr Coffey: As you will be aware, the Home Office is the Department that takes the policy lead on determining whether people have access to public funds, particularly through things like the benefit system. I have had exchanges with the Home Office in the last 24 hours. The Home Office has not yet changed its policy and so we are not extending. However, I want to point out that the £500 million hardship fund, which has been distributed to local authorities, is designed for people to be able to access support directly through that as well. As it stands, Mr Timms, the policy has not changed.

Q3 **Chair:** Do you accept that leaving that group with no income other than work would pose a significant threat to public health in the current crisis?

Dr Coffey: The whole element of work is very interesting. The Government's policy is clear. We want to save as many lives as possible. That is why we have set out rigorous aspects in terms of shielding and self-isolation requirements if people have symptoms, or if people in their household have symptoms, but we also want people to continue working as long as it is safe to do so, and that is why the rigorous enforcement of social distancing is there.



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The response of the Government is for people to work from home wherever they can. If they cannot work from home, there is no reason for them to stop work as long as they are in an environment where social distancing is being rigorously enforced.

I am very conscious—and I am sure we will come on to this shortly—of how many people are making applications to the Government for support through the welfare system. I do not know the individual details of people who do not have recourse to public funds, but it may well be that they have the opportunity to continue to try to have income still coming in.

Q4 Chair: I am sure some will, but some will not. Inevitably, I think, some people will have to self-isolate. I think it is clear—and I wonder whether you would accept it—that some way does need to be found to give income to that group if they are to comply with the Government's requirements.

Dr Coffey: I am sure local authorities will approach the Government to seek more for the hardship fund if they feel the fund is not adequate for the levels of demand. I cannot comment on that, but I do think it is best to allow for some of that locally focused help, which could be, and is intended, for the most vulnerable people. I understand why you are saying, "There may be some people who have no basic rights to go through our system. How do they get help?" The hardship fund may well be a route for those people to approach their local authority.

Q5 Chair: The guidance on the £0.5 billion that was published yesterday suggested that it is largely to help people with council tax.

Dr Coffey: It is.

Chair: You are saying that, if there is a need beyond that for emergency help, it is at least conceivable that that sum might be increased?

Dr Coffey: It is conceivable. It is absolutely designed to recognise the council tax requirements of people who are no longer working, or who have seen other changes in their incomes, but I am confident that, if local authorities are getting requests from people, from groups, not specifically identified in the guidance, they will be making a case to MHCLG about what else they could be using the funds for.

Q6 Stephen Timms: As has been made clear, we are expecting further announcements on this but, as things stand, self-employed people and freelancers who are not able to work need to apply for Universal Credit. Whatever the additional support that will be announced turns out to be, it does seem clear that there will be quite a large group that will depend on Universal Credit during the crisis. I know there have been a very large number of applications in the last couple of days. Do you envisage that Universal Credit will play quite a big role in supporting self-employed people—freelancers, people on zero-hours contracts, and insecure work of other kinds—in the course of the crisis?



Dr Coffey: I do see it as an option. I am very conscious that people think the UC allowance, which we raised as part of the Chancellor's package to be £20 higher weekly than it is today, might be the only source of help they could get from Universal Credit. We know that Universal Credit replaces a number of benefits for new claimants to the system and that people may not realise there may be aspects that they can get extra help on, such as housing costs support if they are renting, extra money if they have children, and a variety of elements that can see a considerably higher sum per month going to people regardless of their employment status.

I am also conscious that there are other aspects where people may be better off staying on with the Working Tax Credits income that they have and applying for contributory things, such as the Employment and Support Allowance. The Chancellor has laid out why thus far he has not put forward a package for people who are self-employed, who do not have the same levels of income. Of course, many self-employed people may still be carrying on their daily work anyway, regardless. As the Chancellor explained to the House yesterday in Oral Questions—and it was followed up by the Chief Secretary to the Treasury—they are working on this, but there is no doubt that it is very difficult to devise one scheme to fit 5 million individuals, in contrast to a scheme that we have worked on at pace—what would normally take months of work took about three days of work—to suit people on the PAYE system.

The Universal Credit system is open, ready to take that. In the last nine days, we have processed nearly 0.5 million claims. We do not know if they are self-employed, or at different stages, but I want to assure people that help—even if it is not currently the level of help that they would like—is there to help them through the safety net of the welfare state. Peter may want to add something.

Peter Schofield: Two things, Chair. One is that you will probably find that quite a number of those on zero-hours contracts may already be on Universal Credit and receiving a Universal Credit top-up. The way the system works, if their wages fall they will automatically get a top-up and they do not need to make any further claim.

I am sure the Committee will want to go into more detail about the process of progressing claims through Universal Credit, but this is an unprecedented moment for our country and the number of people contacting us seeking access to benefits. As the Secretary of State has said, in the last nine days—the period since Monday of last week—we have registered and taken into the system just under 500,000 claims, something like 477,000. So the system is working but I am sure the Committee will want to probe further.

Q7 **Chair:** We will certainly come to those capacity points but going back, Secretary of State, to what you were saying a moment ago.

We are expecting additional proposals or announcements for the self-



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employed aren't we? I appreciate that it is very difficult to get it right, but I think it has been made clear that there is going to be something.

Dr Coffey: I know the Treasury and the Chancellor are working very hard to see what can be arranged. We are talking about potentially up to 5 million individuals, ranging in levels from self-employed people with very high incomes to people on much more modest incomes. There is an element here for future policy consideration: 2.5% of the Government's total annual take of National Insurance comes from self-employed people, and 97.5% comes from employees and employers. There is a big difference in that.

Of course some of these questions are with the Department for Work and Pensions, but we have a bit of a triangle between BEIS and the Treasury in trying to make sure that whatever systems we can put in place can be delivered operationally very quickly. There will be all sorts of things—ideas—which are very valid, on how we can support different parts of the population right now. Some of this is about how we can operationalise it very quickly. We know that people can get some support pretty darn quickly through the Universal Credit system, and through Employment and Support Allowance. Some of the other mechanisms are proving more challenging.

For example, when we considered how to help people with rent, we discussed whether we could just give more money to local councils to help with discretionary housing payments or whether that would be too difficult operationally, and the decision was made to increase the Local Housing Allowance. You will be aware that a few months ago, we decided we would only put it up with inflation. Therefore, some of this is about how we can respond quickly to the needs of the nation right now.

Q8 Chair: Universal Credit will play an important part, and it is interesting to hear how many people have applied in the last week. Is it acceptable in this crisis to tell those 0.5 million people who have just applied that they will have to wait five weeks for their first regular benefit payment?

Dr Coffey: The underlying principles of Universal Credit have not gone away. By that I mean the design, which is supposed to be based on your general income. We need a month to assess your likely income. As I keep reiterating, advances can be made pretty quickly. There is an estimate of what your annual income will be so that, in effect, you could say you will get your 12 months spread over 13 payments. We will stick with that advance. I have to say that any other changes—and I appreciate this is not a big policy change—even technically it would be difficult to make the operational changes that some people are asking for, whereas the advance system does work, and works quickly.

Q9 Chair: Have you considered turning those advances into non-repayable grants, which would be technically feasible?

Dr Coffey: I know that the Minister for Welfare Delivery is responding to your letter on the broader points. There has been an element of



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consideration on that. Again, one is a technical situation; the second is a consideration of aspects of fairness to the wider taxpayer element. I do not mean the Government but ultimately Government revenue is still what taxpayers—whether they are individuals or companies—put into the system. My understanding is that operationally that is not feasible in the short time and there is a policy question about whether it would still be right thing to make this significant change right now.

Peter Schofield: Can I answer that, chair?

Chair: Yes.

Peter Schofield: This is an important point to get across to the Committee, which is around sticking with the current operational arrangements.

Yesterday, we registered 105,000 claims to Universal Credit. It is a major success of the organisation. We did it because a lot of the system is automated, and we are not changing the way the system is working; we are running the system on that level of capacity. To make a change—even the sort of change that you were just describing—requires reprogramming, resetting, or manual processes, which at those volume levels we simply would not be able to manage.

The key thing for us now—and it may be a difficult message to give—the key message from an operational point of view, is to stick with the framework and the policies we have, and then the automation will work and will deliver for the many tens of thousands of people who are reaching out for help right now. We can do that as long as we do not change the system in a way that means we cannot deliver.

Q10 **Chair:** It is very difficult to see how it can be impractical simply to stop the system reclaiming the advances that are being paid now. Half a million people have applied and 60% have received advances, but that has been—

Dr Coffey: Last week, 70,000 people applied for advances.

Chair: How many?

Dr Coffey: Last week, 70,000 out of 272,000 UC applications, so it is a different percentage.

Chair: About one quarter. It is very hard to see how the system forces you to start, in five weeks' time, claiming back those advances from future payments.

Peter Schofield: I will be very happy, at some point, to take the Committee through how the process works. I know you are very much aware of it, but there is the technical nature of making any change—for example, changing the rate at which we deduct. We are giving people longer to repay advances, but we are not able to introduce that until October of next year. That is what I said at the beginning. That in many



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ways is an unwelcome message for those colleagues who are looking to make changes to the system, but the best way to deliver at these volumes is to keep the system going as it is, and to drive it forward.

The sorts of changes that are more straightforward to make are the ones that have been made already. For example, as the Secretary of State mentioned, introducing a higher rate for the standard level of payment on Universal Credit, the £20 extra a week. That is something that we are putting in place at great pace for the start of the financial year. However, even making the sort of change you are suggesting, Chair, is going to make it difficult to deliver at these volumes.

Q11 Chair: When Universal Credit was being introduced, we were told that it was all going to be done in agile, which meant that these things could be readily dealt with in the future, but, from what you are saying, even very straightforward changes are very hard to make.

Peter Schofield: My point is that it might sound straightforward, but it is not but it is a very agile development. Every two weeks, we drop a new release into Universal Credit. What that is all about is adding automation to the existing process to enable us to upscale the volume of claims coming in.

Dr Coffey: The key agility, Mr Chairman, is that it is responsive to what people earn. That is the key agility. If your earnings go up, your support from other taxpayers falls. If your earnings go down, your support from other taxpayers increases.

Can I suggest we get into this another time: the original design of the UC IT system and the pros and cons of decisions made at that time? I do recognise what you say, but I do not think the system was built to be so agile that we can just put a new cell in a spreadsheet to feed through millions of records in one go.

Q12 Chair: Yes, that is a fair point. We were certainly told that the IT would be agile, but there we go. From a policy point of view, however, would you not accept that it will be a problem to push people into debt right at the start of this crisis? The 70,000 people are in debt now to the DWP.

Dr Coffey: I do not see it as being in debt. I see as effectively spreading an annual payment over 13 payments rather than 12. People can then choose early on the level of advance that they get. They roughly know what their standard monthly income will be, but if they decide to take an advance, which is why we have it, effectively, having 13 payments instead of 12 spreads the costs.

Q13 Chair: The Trussell Trust reports that people on Universal Credit are two and a half times more likely to need to use a foodbank than people in otherwise similar circumstances on the legacy benefits. This month's issue of *The Lancet Public Health* estimates that: "Up to the end of 2018, an additional 63,674 unemployed people would have experienced levels of psychological distress that are clinically significant, due to the



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introduction of Universal Credit". It goes on to estimate that over one third of those people will have crossed the threshold into depression. What do you think it is about Universal Credit that seems to cause significantly greater hardship than the previous benefit schemes?

Dr Coffey: I am aware of the Trussell Trust. However, from the evidence of the data it is prepared to make public, only 10% of referrals are due to people identifying hardship being due to a delay in things like Universal Credit. We have been working for some time to try to work with The Trussell Trust to get more of a collaborative approach in trying to exchange different elements. I know that the Minister for Welfare Delivery has been working very hard on that relationship. We were making some good progress. I am not sure of the latest, but we were due to start a pilot in four or five foodbanks around the country—some Trussell Trust, some independent—to help us improve our responses through learning at the frontline. Sadly, that pilot has had to be somewhat paused now, but I am confident that it will be up and running by the summer.

Q14 **Chair:** Do you accept what the Trussell Trust and other foodbank providers say, that the five-week delay is making a big contribution to the demand for foodbanks?

Dr Coffey: I can understand that there is a mixture of things that happen with Universal Credit—the level of deductions that can happen, the way for housing arrears to be deducted from people's general income—and if there is readily available support for people, to help them with some of the most basic elements of human living, to secure food parcels in a particular way, it does not surprise me if people turn to that so that they can use their income on other things that they want to prioritise.

I know that the Minister for Welfare Delivery is working with a variety of organisations. I hosted a round table with other independent foodbanks and redistribution points, bringing them together. There is a lot we can still do in that field but, nevertheless, Universal Credit is still the situation where you will be better off working than not working and so we want to continue to try to incentivise people.

Q15 **Chair:** The Conservative Member for Waveney referred to the five-week delay in the House last week as, "the fatal flaw" in Universal Credit. Do you understand the point that he is making?

Dr Coffey: I recognise why he says that. He is my parliamentary neighbour. I know the communities he serves. We share a district council, but I do not agree with my honourable friend.

Q16 **Chair:** One final point on Universal Credit.

Dr Coffey: That will be around East Anglia tonight, but there we go. That is okay.



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Chair: At the moment—I think I am right in saying this—if your savings exceed £16,000, you will receive no Universal Credit. Given the importance of Universal Credit in supporting self-employed people over the next few weeks, do you think there is a case for lifting that restriction during the crisis?

Dr Coffey: I think that has been considered. Again, there may be some technical challenges in making those changes. We have been discussing this. For the reasons that the Permanent Secretary has already set out, for operational reasons, we have to rule out trying to change policy that then requires significant technical changes.

I want to stress that part of the challenge where you have self-employed with somebody else in the household is the income levels can also say whether I should get Universal Credit or not. We want people to engage with us, to make those applications, so those things can be laid out quite clearly. It may be the case that, in the short term, just getting Employment and Support Allowance may be a better option for some self-employed people, but by no means all. That is why we still want to encourage people to go through the process and see how we can best help them at this difficult time.

I point out that, of course, there are other measures that the Government have already put in place: for example, negotiating a mortgage delay for householders. Work was being done—I may have missed this—to see if commercial mortgages could also be delayed, and I do not know the outcome of that, as well as being able to access the loans that were put online on Monday. They require no personal guarantee, zero interest for 12 months. Again, those are sources of cash for people to maintain their business operations in different ways.

Q17 **Chris Stephens:** Secretary of State, since 2010, the Department has seen reductions in its administration budget. We have all seen on social media the queues and the numbers of people making applications, so my first question to you is: are the existing staff levels in the Department enough to cope with the increase in work due to this pandemic?

Dr Coffey: I expect the Permanent Secretary will want to say more on the detailed elements of the operational level. As Ministers and officials, we have been working together to streamline processes, redeploying people from current activity that is not on the frontline to helping the frontline to help people who need our help. Right now, 1,500 people have been redeployed to the frontline. A further 3,000—I think—later this week.

Peter Schofield: It is 2,900.

Dr Coffey: We are moving people to provide support. One of the reasons there have perhaps been fewer people—and Peter will go into more detail—is that we have automated more and more of our process, so that is an element.



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I am not passing the blame to anybody in this regard, but—recognising that we have removed some of our identification processes with the face to face elements—frankly, we do not want robots and other people trying to get money, so that is why we are maintaining verification. One of our systems, where you are seeing queues in particular, is a system called Verify. It is managed by the Cabinet Office and it is a digital verification process. We have put extra money into Verify, anticipating a surge, but it is facing an unprecedented number of people who have never had to engage with the Government in this way before. That is where we are seeing some of our challenges. That verification element is recovering and we are continuing to see what we can do to support it but also streamline our own process. Peter, do you want add more?

Peter Schofield: Yes. It might be helpful to step the Committee through the operational challenge and the operational response, just to build on what the Secretary of State has been saying.

We entered this unprecedented crisis in a very strong position in terms of operational performance. Payment timeliness for Universal Credit has been at record levels, despite the number of claims building up, over a period of time, to about 3 million, which is where we were going into this.

We spotted the surge in claims on Tuesday of last week and we straightaway implemented our business continuity plan. There are a number of component parts to that. The first thing is to take those folk who work in Universal Credit operations and put them absolutely focused on making claims, processing claims and making payments. As well as the 6,500 colleagues who work in Universal Credit service centres, that enabled us to bring something like 23,000 colleagues who work in Jobcentres, who are part of a single-service organisation, and focus them not on work coach reviews, mandatory sign-ins, weekly and fortnightly sign-ins and the rest of it, but turning them into virtual service centres within Jobcentre. That immediately brought in a big surge of resource.

The next phase was to take those folk who work in frontline service delivery, but not on Universal Credit, and move them over to work on Universal Credit because we made a decision—and we announced this through the organisation—that managing claims and making payments is the number one priority for DWP. Operationally, we can de-prioritise other things.

As the Secretary of State said, already this week we have seen the redeployment of 1,500 folk from those non-Universal Credit but frontline service delivery roles, and 3,900 more to go later this week, with an ambition to take us to 10,000 people redeployed into Universal Credit frontline service delivery over the next few weeks.

The next phase of the business continuity plan is to take those folk who work in functional areas, whether it is finance, change programmes, people and capability—about 10,000 people—and redeploy as many of them as we can into frontline roles. The first people will start arriving in



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London Jobcentres today from corporate centre-type roles across DWP. The next phase is to move to bring other folk in from other Departments and other organisations. We are well underway with that. The challenge with bringing more people in is you obviously need to have them working on things that will add value and aid the process.

There has been a massive response in terms of how we have approached the redeployment of staff. We have also deprioritised other activities. I have talked about what we are not doing anymore in Jobcentres; we are not doing face to face assessments for disability assessments; we are extending existing awards so that we do not have to reassess PIP claims. That saves quite a lot of effort, so we have put that effort back into paying people in full and on time.

We have looked at the robustness of our systems. Mr Stephens raised some of the issues that people are facing in some parts of the process. I would say a number of things in response. The first thing is that before people get to the point where they are stuck in queues, they have already registered their claims, so that number of 477,000—of which 105,000 were only yesterday—are people who have completed the online journey: their claims are registered. We know who they are. We have their details and we know what we are doing.

What we need to do now is verify that they are who they say they are and that they are not robots. There are two ways of doing that. One is an online process—Verify—which the Secretary of State was describing, which is run by the Cabinet Office and is sub-contracted to partner organisations. They have been having some capacity challenges, unsurprisingly, but there are ways of working through that. We have been working closely with the Cabinet Office, including by putting in new money.

As the Secretary of State has said, in practice, even at the best of times, only around 25% of claims were verified online. The other way we verified was through face to face contact in Jobcentres. We are replacing that with outbound telephony.

One of the things that we are doing now, which we have the opportunity to do because people have made their claims, is, instead of waiting for people to get appointments booked to have telephone claims—and some people were waiting for quite a while on the phone yesterday to get through to the appointment line—because we know who they are, our own folk are reaching out with outbound calls and we will be doing much more of that. We tried it out yesterday and we will be rolling it out much more today, so I have a lot of confidence that some of those issues will also be addressed.

This is a rapidly evolving situation. We don't know what the numbers are going to look like over the coming days. We are absolutely focused on making claims, on making payments, on reaching out to all those many, many folk who are reaching out to DWP for help. We know our



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responsibility and we want to meet it. We want to get money to those who are entitled to it. We want to provide the reassurance that people deserve.

Q18 Chris Stephens: It sounds as if there is a plan in place to increase staffing capacity, either from within the Department or other Government Departments. You are right to say that it is a rapidly evolving situation, there is a surge and we do not know when that surge will end.

The key question for any claimant watching that I need to ask you, Peter, is: will people have to wait longer to receive a payment? People who are in need are obviously applying. There is usually a period of time to wait to get their payment. Could you perhaps guide the Committee a little bit about whether people will have to wait longer to speak to someone, to help them process a claim or receive a payment?

Peter Schofield: I would absolutely love to be in a position to give that reassurance and I am absolutely committed to driving to that end; I really am. The caution in my voice is because we just do not know what will happen to the numbers of claims going through. We have good metrics to help us follow the journey, the stages in the process. The fact that 477,000 people have already made it through to that first stage of the process, the online journey is holding up brilliantly well, is working well.

As I monitor it, the surge only came from about Tuesday of last week, and I do not know how the next stages in the journey will progress, but obviously my intention is to make sure that everyone is paid what they are due in the time required. We never do get to a full 100%, as the Committee knows full well, but my intention—because of the way that we have responded, changed processes and put more resource in—my absolute commitment, is to get as many of those claims as I possibly can paid on time and in full, to reassure exactly the people you want to reassure, Mr Stephens. I want to reassure them, too.

Q19 Chair: The 477,000 who have reached the first threshold, presumably there are some people who—for all the reasons that you have explained—have not yet been able to do that. Do you know how many people are still waiting to get to that stage?

Peter Schofield: I do not think there are people waiting. There is no evidence for us that people are struggling through system capacity to get through the first bit of the online journey.

Q20 Chair: We are certainly hearing about people who apply one day, hang on for some hours, do not manage to get through it and are told to come back the following day—that kind of thing.

Peter Schofield: I do not think that is the first stage of the process. It comes at the next stage of the process. There are two routes for personal verification. One is on the Verify system. The Secretary of State and I mentioned it earlier. That is the next stage, beyond where we are up to in



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registering claims, where people need to prove their identity. If they try to do that online, we have had capacity problems, absolutely, with the Verify system, and have been working closely with the Government Digital Service and their providers to build capacity in there. There are things being done to build capacity, to change the way that system works. I am hoping that that system will see some changes and improvements over the coming hours and days.

Q21 **Chair:** Of the 477,000—

Dr Coffey: To give you an example, part of the UC process may be, “I have four children”. We have now automated that process, as of last year, to do a cross-check—have four children been registered in birth records? I am probably not explaining it in sufficient detail, but those are the sorts of things. The number of children you have can make a huge difference to what Universal Credit sums you may get. There are different levels of verification that have to happen in order to make sure that we are not giving money to people who should not be getting it.

Q22 **Chair:** Let me ask my point and then I will hand back to Chris Stephens. Of the 477,000 who have got through the first stage, how many have not yet made it through the Verify stage?

Peter Schofield: I do not know that number. Of the 477,000, 105,000 registered only yesterday, so it is still early days. We are developing metrics to enable us to follow that through. Obviously, people would be paid in five weeks after they made their claim. There are a load of checks that need to be gone through. The first is that they are who they say they are. The second is the additional money that they say they might be entitled to because of children, or because of rent. We need to verify all of that. Those are the elements that we need to go through.

It is still too early to know whether people are getting through those steps in the time that I would expect them to. I suspect that there are more people, so far, who are finding that the personal verification stage is holding them up than I would like, for the reasons that we have described, but we are on to it.

As well as the online journey for Verify, the other approach is that we do it through outbound telephony interviews with DWP staff, which replaces what you would otherwise have done by coming into a Jobcentre. By putting more resource and many more staff into that telephony, I am hoping that we can deal with the volumes coming through.

Q23 **Chris Stephens:** If you can keep the Committee updated about payments and how long people are waiting, it would be helpful, because we all want to ensure that the Department has the resources it needs to help those in need.

We could find a situation in which DWP staff are affected by the coronavirus outbreak. No one is immune. What contingency plans do you have in place in the event that, because of the outbreak, there will be a



reduced workforce?

Peter Schofield: To be fair, you are right, we are not immune and many of our folk are self-isolating. I worked from a Jobcentre yesterday and a number of their folk were self-isolating, either because they had symptoms or because they were in a category that needed to stay at home. We are not immune from that by any means. That is part of why we are focusing every one of those who are able to come into work on the payment blockers. We do have a pandemic/flu business-continuity plan, which is part of what we invoked last week, so the plans are there.

One of things that we are also trying to do is make sure that we have the infrastructure to enable folk who are self-isolating but who are still fit to work, to be able to work from their homes. We have systems that would enable folk who are trained to do claims processing work to do that from home. We are also trying to gear that element up.

Q24 **Chris Stephens:** How much of the DWP's administrative operation can be done by staff working at home and how much of it requires staff to be in, for example, a service centre?

Peter Schofield: A lot can be done from home. The difficulty is with outbound telephony. That may be more difficult from home. However, the online processing part we should be able to do from home.

I would say the constraints are twofold. One is with the internet connections that enable folk to work from home. Because every large organisation is doing much more of that, we are seeing some constraints on the system and on our own security system within that.

The second is, particularly where we are deploying staff from other service lines, or indeed from corporate-centre activities, that we need to train people, and it is quite difficult to train them when they are at home. I need them in the office to train them. However, we are innovating. We are pushing the boundary because we have to.

Dr Coffey: We are buying more laptops as well.

Peter Schofield: Exactly. We are securing more mobile devices, as the Secretary of State says. We have redeployed 1,000 people already. We have another 1,000 people who we can redeploy, which we are doing, and we have an order for, I think, another 3,000 that we are bringing through. Therefore, we are innovating, we are deploying and, as an organisation, we are focused on this one thing: delivering for our customers.

Q25 **Chris Stephens:** That is a helpful response, Peter, but when you say a lot of the operation can be done at home, what does that mean in reality? Is it 50% or more? Or is it less than 50%?

Peter Schofield: The two things that you are often doing in a service centre are taking calls or making outbound calls, which generally are



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routed through to you at your desk. Because of the way Universal Credit works—and you probably know this, Mr Stephens—if you are a Universal Credit claimant and you phone the Universal Credit number, it will direct you to the service centre, to the case manager who is dealing with your case. It is more difficult to do that inbound and outbound telephony for someone at home, although I am sure we can develop the technology. We are working with providers at the moment to see whether we can do that.

The online work: when you come into work in a service centre, you are looking at a dashboard with the things that need to be addressed to bring someone through the stages towards payment, which I described earlier. A lot of that—all of that, to the extent that it does not require the telephony—can be done from a mobile device, whether you are in the service centre, in a Jobcentre, or at home.

Chris Stephens: Obviously that will still require a lot of people to be working in the service centres. Both the Chair and I have had some information from the trade union PCS. There are some concerns about what is going on in the service centres. No one is immune from this virus, as we have agreed. We want to make sure that the Department is doing everything it can to stop transmission. We were informed about a lack of hand-washing facilities and hand sanitisers, told that social distancing was put in place only yesterday, and that there is no cleaning of buildings over weekends. Can you respond to that? We are concerned about that and we are concerned about your recruits going in, in groups of 12, which goes totally against current guidance. The Prime Minister has given clear advice and we would expect a Government Department to implement that advice, particularly as it concerns its own staff. Can you tell us anything today about how the Department is complying with the Prime Minister's advice, particularly in large service centres where there would be hundreds—at least hundreds—of employees working?

Peter Schofield: It concerns me, too. Staff welfare is absolutely a priority for me, reaching out to folk to make sure that they are safe and looked after.

In service centres we use all the available capacity, because where there are absences it means that there are spare desks, which means we can spread out. We have clear advice to all the people who work in service centres as to how they should work. There is some quite practical advice around washing hands. I do not think there is a problem with hand-washing facilities. There is a national shortage of hand sanitiser, but we do have an order out and we have instructed local leaders to go and buy it themselves and we will cover the cost. There are some basic things about how communal areas are used, basic things about keeping apart, about not sharing food and utensils and so on, and we are completely focused on making sure staff welfare is protected.

Another dimension is closing Jobcentres to members of the public walking in from the street, which we have done. That was in response to two



things. One was in part because we want Jobcentre folk to be able to focus on processing claims, and we want to give them the sense that that is what they are there to do, and their contact with members of the public is through the telephone and online, through the journal. The second thing was to protect our staff from people coming in off the street, in the sense of making sure that we knew who was coming in and that they had the opportunity to take all precautions.

That seemed to work well in the Jobcentre that I was working in yesterday. People were working across, using all the space, and certainly no one crammed into any space. That is what we are telling local leaders to ensure happens in every single DWP facility across the country. We are constantly in contact with the unions but, Mr Stephens, if you hear things that worry you, I can tell you that they will worry me at least as much, so please tell me and we will do things about it. Local leaders have those very clear instructions.

Q26 Chris Stephens: I am more than happy to write to you, and I will write to the Secretary of State as well, because we would want to ensure that Government Departments are complying with the advice. As long as Government are hammering private sector companies for not complying, we would expect Government Departments to be doing it right.

Dr Coffey: Can I give you one extra example, Chris? People who want National Insurance numbers—civil servants were expressing concern that there was unnecessary risk because the majority of people coming in were EEA nationals from countries where the virus was widespread—we switched off quite early the facility for people to do that face to face. We switched to a postal-only process and we did that very quickly in response to concerns raised by civil servants. These are the sorts of things that I hope show that we are very much listening to civil servants, with their welfare fully at the heart of it, while we still maintain the service that we are expected to maintain. I know Peter has been working solidly with his teams to make sure that social distancing norms are rigorously put in place.

Peter Schofield: I do feel the leadership team is responding quickly, as the Secretary of State has said. I visited a National Insurance number office in Oxford the Friday before last and colleagues raised that concern with me. We quickly came back and made the change that the Secretary of State has just described.

It is a key priority for me, and for the whole leadership team, to look after our people, for all the reasons you describe, Mr Stephens. We are doing everything we can and certainly implementing the Government guidelines, but if there is anything else we need to do we will see if we can do it.

Q27 Chris Stephens: I will write to you if there are any other concerns. What guidance has the Department produced for Jobcentre staff, claimants, and support organisations to make sure people know what they can claim



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and how they should go about claiming?

Peter Schofield: There is the Understand Universal Credit website, which has been updated. I might get the number wrong but I think it had something like 200,000 hits last week. It seems to be working well. It is constantly updated with new information and guidance. We are keeping it under review in a rapidly evolving situation.

Q28 **Chris Stephens:** Can you give us an assurance that people with disabilities are getting communications in a way that is suitable for them? We had evidence last week from RNIB, which concerned us, that people were getting printed letters. Can we get an assurance from you that communications with those with visual impairments, for example, will get communications in a form that they can understand?

Peter Schofield: Yes, we definitely want to do that. Thank you, Mr Stephens.

Q29 **Chair:** Peter, you mentioned the metrics that you are developing. Would it be possible to share some headlines with the Committee over the next few weeks?

Peter Schofield: I would be very happy to do that.

Chair: Weekly updates, please. Thank you.

Q30 **Selaine Saxby:** Carrying on with the theme of DWP communications, when the DWP is saying that claimants must report "in good time" that they are staying at home due to coronavirus, what does "in good time" mean? Is it clear to people, so that they are being treated consistently across all Jobcentres?

Dr Coffey: We have been on a rapid streamlining process in this regard. It may be better if I write to the Committee about this because I am not clear what has been formally operationalised yet. I can assure you that we will get a letter to the Committee before the end of the day.

Peter Schofield: For example, for people on Universal Credit who need to update us, they can do that on their journal straightaway and that will be looked at by the service centre.

Dr Coffey: The relationship between the claimant, the jobseeker and the work coach is important. As Peter has outlined, the majority of that is done through the journal.

The sort of thing that I would expect claimants to say is, "I will have to self-isolate. I cannot come in. I cannot do this" and for that to be a simple exchange, but I will write to the Chair before the end of the day.

Peter Schofield: The other thing I would say, Ms Saxby, is in terms of the overall tone of what we are doing, everything is focused on support. Everything is focused on getting money to people who need it, and if people have struggled to find a way of contacting us we will absolutely



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understand. We want to make sure that people get the support that they are entitled to.

Q31 **Selaine Saxby:** Following on from that, because these people are obviously trying to avoid a sanction, do you think perhaps now we should not be having any sanctions at all during this time?

Peter Schofield: We are not asking people to come in. The side of the business in which people were required to come in and report in terms of their work search, for example—the things that might have led to a sanction—we are not doing at all now because the focus from Jobcentres is on making claims. Folk do not need to worry about that. We will be focusing everything on making sure that people get their payments.

Dr Coffey: Operationally, people are not working on debt recovery or on these other things. They are focusing on supporting, in particular, the new claimants.

Q32 **Selaine Saxby:** On Friday last week, the Chancellor announced that the standard rates of UC and Tax Credits would be increased by £20 a week for a year. What was the background to that particular figure? We heard last week from some of the charitable organisations that they felt there should be a far more significant rise. What was the background to getting to the £20 a week?

Dr Coffey: Across both Working Tax Credit and UC, effectively it is £1,000 extra for the year of income. I think that was considered to be a good boost to the standard allowance from what it is today. So 20 divided by 73—I cannot quite remember off the top of my head—it is that sort of scale, so it is a significant increase in proportion.

Peter Schofield: It takes it to the level of statutory sick pay on a weekly basis.

Dr Coffey: There is no difference now between statutory sick pay and Universal Credit. That is part of the design, too.

Q33 **Selaine Saxby:** Millions of people on legacy benefits, such as Jobseeker's Allowance and Unemployment Support Allowance, have not received a rise. Is there going to be one for them? Is that something that is being considered?

Dr Coffey: I think the consideration—and this is one of the reasons why it is for one year only—is to focus particularly on new claimants who are coming into the process for the first time.

Peter Schofield: Another thing, from an operational point of view—this goes back to what we were saying earlier about the agile nature of Universal Credit—we could introduce it in two weeks. We cannot change the standard rates in the legacy benefits in anything like that amount of time.

Q34 **Selaine Saxby:** I am changing tack to move on to pensioners, of whom



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my own constituency has a lot. For those people who are over 70 and who are now self-isolating—many of whom still rely on cash—is there any additional support for them to get their pensions and other incomes when historically they have gone in person?

Dr Coffey: There is a lot of work happening, as part of encouraging people over the age of 70 to go out only when necessary, whether through voluntary helpers or members of the family, to be able to still go. Of course, post offices are still open right across the country for people to access cash in a particular way, if that is what they need. Of course there is an element of trust. The Post Office card account is still operational for those people who choose to not have their benefit go into their bank account, and people who do not have bank accounts. The Post Office card account already has a very specific process whereby you can delegate to another individual and formally give them authority.

Q35 **Selaine Saxby:** For people over 70 who may rely on foodbanks and other food clubs—just thinking ahead—if some of those services have to close, are there plans in place for us to still be able to reach out to those people?

Dr Coffey: The main focus of the Government is the group of people who we have said must stay at home. That is people in the shielding group, as the Prime Minister set out last week. The MHCLG is leading on that operation, on how we get targeted support, whether medical or food, to those people, which is the primary objective. I can assure you that other work around the most financially vulnerable is also underway.

Q36 **Selaine Saxby:** For families like mine—I have an elderly grandmother—are any extra steps being taken to look after families where children are in their 70s themselves and also self-isolating and there is also an older family member, who has now lost a lot of the caring around them? Is anything extra being done for those people to make sure that they are not missed?

Dr Coffey: The DCMS is leading on the volunteer process. The Department is working in close partnership with MHCLG and local authorities on how we can operationalise support. It is important to stress that, while people are receiving letters from the NHS or, indeed, the system has been opened, if people think they might need support, that will have to be prioritised in a process led by MHCLG for people whom the NHS has decided must be shielded as opposed to people who think they fit into that category. That work is live and we anticipate help being supported.

It is important to stress that if somebody is in that shielding cohort, if there is somebody else in the household, they should be able to go out. It is not that the entire household needs to be shielded. Following the very strict rules that have been laid out, there should still be scope for a number of families, and hopefully friends or neighbours, to be able to



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provide for the people who need the help most if they rigorously follow the social distancing norms.

Q37 **Selaine Saxby:** My final question: what steps have been taken to look after these people, to ensure that they do not become the victims of scammers in the coming weeks and months?

Dr Coffey: I know that the Home Secretary is taking aspects of online fraud and crime generally very seriously. It is one of the reasons we are trying to protect the taxpayer by verifying and, therefore, not allowing access to robots and scammers. I am conscious that some scams are already out there. Government, and also the media, are trying to raise awareness about potential scamming, but the Home Office can better advise you and the Committee on that matter.

Q38 **Chair:** Can we go back to what you were saying about sanctions? Are you saying that, at the moment, you do not expect claimants to be sanctioned in the current circumstances?

Peter Schofield: We are not expecting claimants to come in. Sanctions would often be around claimants not looking for work or not demonstrating that they are looking for work, and that is one bit of the process that is not happening at all. It is just not something that claimants need to worry about. Our focus in Jobcentres is not on that at all. Our focus is Jobcentres is on making payments.

Q39 **Chair:** No one will be sanctioned for not looking for work at the moment?

Dr Coffey: This is why I suggested, Chair, that I will write to you before the end of the day, so that we do not say something inadvertently that is not quite the way that we are operating because this is quite a fast-moving process. Of course, there are job opportunities out there. Right now, people are heading to Tesco, Morrisons, all those other sorts of things. You mentioned fruit picking, Mr Swayne. We will need people right across the country to go and help get food out of the ground for later in the year. There is plenty that can be done.

Q40 **Sir Desmond Swayne:** Deductions have been mentioned. The majority of claimants have deductions. The Citizens Advice Bureau has suggested that deductions should cease for the duration of this crisis. What consideration did you give to that suggestion?

Dr Coffey: I wonder if the Permanent Secretary could begin to answer that, because I am not sure that is feasible, operationally. A lot of requests that have been made require manual intervention or substantial reprogramming and we have had to prioritise new claimants over existing claimants. Peter, do you want to answer more?

Peter Schofield: Yes. This goes back to what I was saying earlier about the need for us to focus on making the system we have work, given the scale of claims coming forward.



It is hard to see a wide range of options that enable us to do what you have described, which would not then have implications for the system and our ability to deliver. It is something we will keep looking at and it is something—in terms of deductions and in terms of debt management—that we are talking to the Treasury about as well, but it is not something that we are focusing on right now because of the need to focus on the volume of claims that are coming in.

Dr Coffey: It is fair to say that a lot of decisions are being made. We will keep a lot of these situations under review, but as of right now we have not stopped that process in our list of priorities and what we need to keep working on.

Q41 **Sir Desmond Swayne:** What involvement has the Department had with the Department for Education with respect to the national voucher scheme for children's free school meals? When do you anticipate that will be available?

Dr Coffey: My understanding—I have a brief note on it here somewhere and I have been at meetings where this has been discussed—is that the DfE is trying to operationalise the voucher scheme certainly before the end of the month, so next week.

Peter Schofield: The delivery mechanism is intended to be via schools.

Dr Coffey: It is intended, absolutely, to be via schools. We recognise there may be backups needed if schools are not open and so, rapidly, the DfE is leading on that. There are some discussions about whether DWP or HMRC could be involved in a slightly different way and those discussions are ongoing.

Q42 **Sir Desmond Swayne:** In the second quarter following the banking crisis over a decade ago, national income—GDP—fell by less than 2%. It is widely anticipated that after the second quarter this time GDP will fall by up to 15%. What war-gaming are you doing in the event of us having a recession greater than anything we have seen in our lifetime?

Dr Coffey: That is a question for the Chancellor, but I want to stress that our main, absolute number one priority is to save lives. That is why, as a Government, we have taken such significant steps around self-isolation, about the new rules about staying at home unless you cannot work from home.

One of the things that I want to stress is that this is not being done to try to put people's lives at risk and that we still want people to keep working. There are people who can work from home. We want them to keep working from home where they can, but it is another reason why we also want to make sure the economy does not stop. It is important that, when we pay for the NHS in the future, we still have a vibrant economy that can help us do that.

Q43 **Sir Desmond Swayne:** I was speaking more in terms of the war-gaming



in your own Department and how you will handle the vast increase in claims that will be consequent on such an eventuality.

Dr Coffey: We have had record numbers of people at work. There is a wider issue about how quickly the economy will recover. The furlough scheme set out by the Chancellor has been designed to try to hold as many people and to have that relationship maintained, so that that can resurrect as quickly as possible once the situation for that company is over. It is fair to say that we have not had that discussion that we anticipate. Of course, we are seeing claims right now, but how long will that extend? I anticipate that we will get a big surge in claims right now and I would hope that the general policies of the Government will allow work to resume as quickly as possible.

Peter Schofield: You can imagine we are doing a range of scenario planning within the Department, but a lot of it depends on the success of the Chancellor's coronavirus job retention scheme. In my view that should make a big difference, in terms of retaining people in employment on a furlough basis, in the way that the Secretary of State has described. It is early days to see how that is going to play out in terms of claims coming through, but, yes, you can imagine we have a variety of scenarios. We have a variety of scenarios in our business continuity plans that we have been putting in place over the last week or so.

Q44 **Dr Spencer:** Thank you. I would like to reiterate the thanks both to you, Secretary of State, and to you, Permanent Secretary, for making yourselves available this morning with everything that is happening.

I would like to pick up a bit on some of the efficiency measures that the Department has been putting in, with particular reference to PIP and ESA claimants. Thank you for the written evidence, the response to the letter that you provided, and the update on the suspension of reassessments.

How many people are in the system and have either started but have not completed or, as a separate group, have appealed an assessment that has taken place either through the mandatory reconsideration or are currently going through the tribunal appeal process?

Dr Coffey: To take the second thing, over 1 million people applied for PIP or ESA that required a working capability assessment in 2019, and, as I wrote to the Committee, about 91,000 cases were outstanding in the appeals process.

We have been in discussion with the Ministry of Justice on arrangements for how those appeals can continue to be heard, and that is very much an operational issue with MoJ and HMCTS. We will continue to make sure that we try to process all the claims that are coming in—including the mandatory reconsideration—recognising that we have decided not to have face to face inquiries for new claimants and have automatically extended awards for people who were coming up to the prospect of a renewal and reassessment.



Peter Schofield: Yes, and I know that HMCTS is doing everything it can to progress those as quickly as possible. It is doing a lot of things that we are doing. Instead of face to face inquiries and hearings, it is over the phone. Video and other technology is all being applied as well. In our case, for new PIP claims, we are not doing face to face assessments, as the Secretary of State has said. We are working to use the evidence that we have on paper, evidence we might have. For example, if a PIP claimant has already been through a work capability assessment for Universal Credit or ESA and we have evidence there. We are making outbound telephony if we need to fill in any of the gaps. We are all trying everything we can to expedite this, to get people through the process as quickly as possible to get the money that they are entitled to.

Q45 **Dr Spencer:** One of the things that come up, in terms of the MR process, is that extra evidence usually helps progress things forward and resolves the case, particularly around medical evidence.

At the moment, our medical workforce is preoccupied with battling coronavirus and that is going to be the top priority. How do you reconcile that, in terms of ensuring that the process is fair for the people who are going through the appeal process while not putting an extra burden on our medical staff to take on this administrative duty?

Peter Schofield: The key thing is to make sure that the initial application for PIP and the PIP 2 form have as much evidence as possible, based on the evidence that hopefully should be available in terms of things that have already been done for the claimant as part of any medical support they had been having in the past, and so drawing it all together as far as we possibly can.

Often the face to face assessment with a health assessor is to test the evidence that the claimant has put in their form. We will be testing it to some extent over the phone, but we will not be doing it in the same challenging way through face to face assessments because we want to progress people through the system.

My encouragement to people applying is to make sure, as ever, that we have all of the evidence that they have available. Where we feel that we have gaps, we will use outbound telephony to try to get evidence from the individual to fill in those gaps, to make sure that we can make the best judgment we can, but we are not putting people through the challenge bit of the process.

Q46 **Dr Spencer:** Do you anticipate there will be delays? I know that you are saying you are working with the MoJ to get things pushed through as quickly as possible, but do you anticipate that, ultimately, there will be delays as a result of what is happening, in terms of people getting their appeals heard and processed and delays within your Department itself? You said that certainly your main priority is focusing on the UC side of things and that the PIP and ESA side is going to be slowed down a bit, in a sense.



Peter Schofield: Only in the sense that there are bits of the process that we will not be doing to speed people through. Because we are not doing the face to face assessments, that takes a big stage out of the process for PIP. We can use that and the fact that it probably will lead to far fewer mandatory reconsiderations within the Department. That is the way that we are freeing up resource. It is not by slowing down the journey for PIP customers going through new claims. It is a priority to pay people what they are entitled to, and that applies as much to claimants for PIP as to anything else. We are trying to move that through but taking stages out of the process. That is how we will address that.

In terms of HMCTS, it does depend on how the courts' process works in the context of social isolation. The work they have been doing to trial new technology, we are hoping, will help them speed this through. We are working closely with them to get those appeals through, so that people get an answer as quickly as they can.

Dr Coffey: It is important to stress that we are still continuing to process all the benefits that are coming through and all the applications. It is not that we have stopped processing applications for PIP or ESA or similar. I do not want people to go away thinking we have stopped our support for people with disabilities, far from it.

Peter Schofield: Far from it.

Q47 **Dr Spencer:** Thank you. I am sure all of us have individual constituent cases where people are going through the appeal process and going to the courts, which is taking quite a long period of time, and while they are appealing reassessment, that has reduced the level of benefits and they are without those benefits. I know that they get that backdated should they be successful. We know that quite a few of these cases are successful and they ultimately go to appeal, especially mental health cases.

I wonder—I am just reflecting on it—whether it might be worth in terms of means of efficiency having a form of amnesty over these appeals. It is going to be complex to do justice fairly in this situation. It is a complex administrative burden. I wonder whether we should put that on hold, reinstate the benefits and pick this up in the future once we are through this crisis.

Dr Coffey: The appeal comes from the claimant and usually it is because they think they are entitled to a higher amount of money than they are getting or any money at all. We are not in a position to just agree 100% any application for PIP or ESA.

The broader point, Ben, is why the Permanent Secretary set up a new directorate about service excellence. I have made it a clear priority for the Department about how we improve our decision making because I am conscious that, once people get to appeal, at the moment the majority of people win that appeal. Even though it is a relatively small percentage of



people who end up going to appeal, that is still too high. That is why the whole work is happening, and has been happening, about how we improve the decision making along the way so that fewer and fewer people feel the need to go to appeal. Ultimately, we are still on that journey of trying to improve decision-making.

Peter Schofield: One of the things that we are doing is getting decision makers to reach out when they get the evidence from a health assessor and they feel there might be gaps or—not that we are doing reassessments—when someone might have been on an award and about to see a reduction. Based on the advice of the health assessor, we would reach out to the claimant and say, “We are looking at your case. There seems to have been a change in the assessment. Is there anything we are missing? Is there any evidence that you should have supplied?”

It is interesting. A number of people we speak to in that way say, “Yes, actually, I do realise that we did not pick up on that”, or, “The health assessor did not ask about this”, or, “There is something new that I have just had that I can supply”. The whole point of that is to sort it out, to get the right decision before they ever have to go to an appeal and to see what we can do to get those decisions right first time to put people in a situation in which they do not have to go through the time, the worry and the anxiety that is potentially there if you go through an appeal.

It is trying to get it right first time. We are learning as we do it. We are trying new things and we are trying to do more assessments in-house sometimes as well. We are learning as we go along. We are trying to make the whole process better for customers.

Dr Coffey: It is quite difficult to get proper statistics from the Departments on this. It is almost a judgment call. The figure I was given a few months ago is that, of the cases that get to appeal, if we had known this, that or the other, yes, we would have given an award. That is the case about 60% of the time. About 25% of the time with exactly the same evidence—the figure I recall in my head is in one in four cases—we just disagree with what the judge decided. Again, we still need to learn on that why one in four times we completely disagree with the tribunal decision.

These are still part of our service excellence programme. We do not formally have the funding until this coming financial year but the Permanent Secretary rightly wants to stress this—as do I—about how we make that process better and better.

Q48 **Dr Spencer:** The worry still remains a bit in terms of this process. I completely hear what you are saying. It is very interesting that where there is an evidential requirement, they tend to be the ones where things move differently in terms of the outcome.

I hear what you are saying about how you are going to be less challenging in terms of how you are dealing with these processes at the



moment, but I wonder how these two are reconciled, bearing in mind our medical workforce. With the best will in the world, they are not going to pick up and start writing PIP assessment letters at the moment. They are focusing 100% on coronavirus. How can you be super-confident that this process is going to work properly and that we are not going to have problems for people who are going through the assessments at the moment?

Peter Schofield: It is partly about taking different bits of the process out. As I said earlier, and as the Secretary of State has announced, we are not doing reassessments and so. When your PIP award comes to an end, we extend it. That is a whole load of health assessments that do not have to be done at the moment. If you are on Disability Living Allowance and at some point you are due to be moving across to PIP, we are just not going to do that. We are going to extend all of that.

The focus is on new PIP claims. We are looking at how much of that we can do in-house with our own decision-makers and not have to refer to health assessors. When we do refer to health assessors, there is no face to face, which takes the time. It is paper-based assessment with our own people doing the telephony. We are trying other approaches where we might have a health assessor in supporting a decision-maker, so that we leverage the capability of one health assessor across a whole load of DWP staff.

We are trying lots of new things to cut the process down, knowing, as you say, that the health assessor resource could, quite rightly, be redeployed for other things that our nation faces right now, but all with a focus on speeding through those new PIP claims and to get them through to payment.

Q49 **Chris Stephens:** Secretary of State, we received evidence from RNIB last week in relation to some PIP claimants who have appealed getting—for want of a better phrase—“Deal or No Deal” telephone calls with offers trying to settle these appeals before decisions are taken at tribunal. We are concerned because your ministerial colleagues have advised that that should not be happening. Is there anything you can tell the Committee today in relation to that?

Dr Coffey: This came up a few weeks ago. It is probably best for Peter to go into this. However, the way it was explained to me was that this is almost part of the process, “We have received more information. We now think this is the award that you should have. Do you want to accept that award?” Then it is, “No, I do not want to accept that. I am going to carry on with the appeal”. That is quite a simplistic way of trying to explain it, but it is part of this reconsideration process to say, “Actually, we have reassessed. We think, based on your evidence, either there is no change or this is now the award”.

Peter Schofield: Yes. We are not doing reassessments at the moment anyway.



Dr Coffey: I am thinking about the report that was given about that sort of thing.

Peter Schofield: Yes, but it goes back to my answers to Dr Spencer's questions. I feel it is a misunderstanding of what we are trying to do to reach out and get a better outcome for our customers where we have new evidence. In the outbound telephony, we say, "Is there new evidence?" "Yes, there is new evidence." "Okay, let me reassess what the decision should be for your new claim based on this additional evidence. Okay, I think you now should be awarded this number of points". It is changing the decision based on new evidence.

It is then up to a claimant, just as they can decide to proceed to an appeal based on the first decision, to decide to make an appeal based on a second decision.

We could look into this a bit more, but there is no sense of, "If you do not take this decision based on the new evidence, then it is back to the old decision". That is not where we are at all. It is just a way of—

Q50 **Chris Stephens:** That was what we heard from the RNIB, which had 30 cases. The evidence that we have or that certainly was put to us last week, Peter, was that people were getting phone calls and, if they had not accepted, they were then getting higher awards and more money being given at the tribunal. It is a concern that these—for want of a better phrase—"Deal or No Deal" phone calls are taking place.

Peter Schofield: No, it is not "Deal or No Deal", Mr Stephens. I want to reassure you on that. It is when we have made a decision and we now have new evidence, and so we can make a different decision that is more beneficial. You have a choice at any stage in the process to go to an appeal and the appeal may well then uphold your position and you might get even more, but it is not, "Okay, you are not going to get what our second view was, when we looked at it again, based on the new evidence". No, that is our position and we would take that to the appeal and the appeal may agree with us or it may say you are awarded more, but you are never going to go back to step one.

Q51 **Chris Stephens:** Someone then could accept the new offer—let us put it that way—or the reconsidered offer and still proceed with that appeal?

Peter Schofield: No, because if you have accepted the offer, you will not be going to an appeal.

Q52 **Chris Stephens:** Yes, but you might want to appeal on other parts of it because the reconsidered offer may be for some of the appeal but not all of it.

Peter Schofield: I see what you are saying. So then you go to an appeal and then the judge—who is clearly independent—would look at what the DWP was offering and the case that was being made by the claimant. I do not think the judge would then say, "The DWP offered this but I am



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going to award less". That is not how it would work. I am happy to talk offline or look at some correspondence on that.

Q53 **Chris Stephens:** That would be helpful because we are concerned that this seems to be a new part of the process and the Secretary of State's ministerial colleagues in the Chamber have expressed concern, too, in saying that that should not be part of the process. If we could get in writing what the actual process is, we could maybe start from there and take it from there.

Peter Schofield: I am happy to take it through in more detail, yes.

Q54 **Chair:** Can I go back for a minute to what you were saying right at the beginning about the huge load that the Universal Credit system has to bear at the moment? As you have said, it is delivering.

In terms of how quickly people are able to get money at the moment, will somebody who applied at the beginning of the surge last Tuesday and asked for an advance by now have received their cash or is it taking a bit longer than that? How is it going in that respect?

Peter Schofield: If they made a claim at the very beginning of the process, they should now have received it. It depends on the particular circumstances and we have to take them through the verification, but the verification is the thing that stands between them and getting access to the advance.

Q55 **Chair:** Currently, people who apply for an advance are getting money within a week? That is what I want to clarify.

Peter Schofield: I will come back to the Committee on the metrics on that. I will offer to come back on the metrics.

Q56 **Chair:** That would be helpful, thank you. Our colleague Debbie Abrahams, who has not been able to join us this morning and sends her apologies, has asked me to raise one particular question.

Have you considered stopping the migration to Universal Credit of legacy benefit claimants who have a change in circumstance? In the normal course of events, when circumstances change, they move over to Universal Credit. She is asking if you have thought about stopping that in this current crisis.

Peter Schofield: If they have had a change in circumstance that is likely to change their entitlement. We would take them through the new claim process in the normal way to make sure that they don't miss out on something they are entitled to.

Q57 **Chair:** You are not envisaging any changes to that?

Peter Schofield: No.

Q58 **Chair:** You mentioned, Secretary of State, the welcome increase in the Local Housing Allowance to the 30th percentile. We have had a note from



the House of Commons Library making the point that the separate cap on housing support will prevent that higher level being paid in quite a lot of areas in London. Will you look at that cap as well as the welcome increase in the LHA?

Dr Thérèse Coffey: We are not intending to change the overall £23,000 cap in central London or the £20,000 cap elsewhere in the country. As people will be aware, there are changes to the benefit cap that apply to people who work and have a certain income. There are quite a substantial number in London for whom that is the case.

Q59 **Chair:** Will you keep under review the wider benefit cap and how that is affecting people at the moment?

Dr Coffey: Making a big change to policies like that is not something we are going to rush into right now.

Q60 **Chair:** My question was specifically about the housing support cap, which is a separate cap and which, according to the House of Commons Library, would mean that people in London would not be able to get housing support at the 30th percentile level.

Dr Coffey: There are elements of that that have been the case for some time. I know we have done a more minor policy change this week, but I do not have the detail in my head.

Q61 **Chair:** Okay. Is that something you can drop us a line about, just to clarify how those two things would interact?

Dr Coffey: I think so.

Peter Schofield: That is all right.

Q62 **Chair:** That would be very helpful. Thank you. You said, Secretary of State, that you had a look at whether to increase the budget for Discretionary Housing Payments for local authorities—it was that or the LHA increase and you went for the LHA increase. Will you keep the possibility of additional funding for Discretionary Housing Payments under review, given whatever is going to happen to us over the next few—

Dr Coffey: There was already an extra £40 million going into Discretionary Housing Payments to be allocated to councils. For operational reasons, the substantial increase that the LHA will cost the taxpayer is what has been operationalised instead. Of course, the Government will always keep support for the most financially vulnerable under regular review, but we are now putting in place the actions we have decided that we think will have considerable impact and be of considerable help to a wide range of people.

Q63 **Chair:** Okay. Can I press you on one other point you made? As you reminded us, you have announced that the maximum level of reduction is going to be reduced to 25% of the standard rate but not until October 2021. I take everything you have said about how difficult it is to change



this agile computer system that you have, but is there any possibility of bringing the date for that forward given the difficulties that people are going to be facing over the next few weeks?

Peter Schofield: No, I am not going to promise that. It goes back to my point earlier, Chair. I am focusing in on getting these—as it was yesterday—105,000 claims through. That requires me not to take people off. There are the digital folk who are building scale in the system and making sure the system can cope with the number of people coming in. I would be taking them off that and putting them on to something else. This is what the priority is operationally.

Dr Coffey: Neil Couling has set out very clearly the different challenges of at the moment the architecture and his technical people have not only built on processing elements but also expanded capacity for how many claims we can absorb and also how many people can be online at any one time. There is capacity, and that capacity is building to have 5 million people taking Universal Credit. That will come online during the next month. We can readily absorb that. We believe that we are absolutely in control of making sure and prioritising our teamwork to make that happen. I just do not think it is going to be possible to change the deduction cap or the deduction rate in the near future.

Q64 **Chair:** I have a final question on a different topic. Libraries have been shut down. Cafés have been shut down. That is going to mean that quite a few people are not going to be able to access the free wi-fi that they have tended to use to manage their Universal Credit claims.

Do you think that is going to cause any difficulties? Is there anything that can be done to ensure that people keep the access that they have had up until now or can continue to manage their claims?

Peter Schofield: All the signs are that people are able to make claims because the claims are coming in. It has become more difficult because another place where people could go to work online was a Jobcentre and—for the reasons I have described—we have now closed that opportunity. That is something for the Government as a whole to keep under review over the coming period.

Dr Coffey: It is important to stress that we have also asked our local Jobcentre managers to use their discretion in how they interact with their claimants. The key thing is that the Jobcentres are still operational. The people in each Jobcentre know their claimants. They know how to help the most vulnerable who do not have access in different ways. Rather than setting blanket policies at the centre, it is important that we trust our Jobcentre managers, and work coaches as well, to work with their claimants in the best way for them to be able to exchange information.

Peter Schofield: That is a good point. Just to build on that, at the Jobcentre I was working at yesterday, as I arrived, a customer arrived and wanted to gain access and was not able to come in. I turned to the



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local manager and I said, "What about this person?" He said, "We know him very well. We have a plan. This is what we are going to be doing for him. You do not need to worry". It is just an indication of the sense of connection.

The thing about our Jobcentres—we have 600 or so of them—is that they are in every significant community all across the country and are well connected to those communities. At times of hardship, we will see the passion and commitment of our people to serve the communities they are within, whether that is about individuals or the community as a whole. We will see that come through. I saw it yesterday. I see it every week when I am out and about, meeting my frontline folk. That will be the thing that will get us through.

Dr Coffey: Before we conclude—at whatever point you choose to conclude—I want to put on the record my absolute admiration and thanks to our civil servants who are working relentlessly to help people, some of whom have never encountered the benefit system before. We are trying to help them, as well as our ongoing claimants, some of whom are the most vulnerable in society. I know how hard they are working, and I know the challenges they face, but they are doing an admirable job to help millions of people right now.

Chair: I think the Committee would want us to ask you to pass on our thanks to everybody in the Department for everything that they are doing at the moment at what is, clearly, a very difficult time.

Can I thank you both very much for being willing to be here this morning? We are eager to hear from the Chancellor whatever might be announced—we hope really soon—for self-employed people. We are most grateful to you for the very helpful answers you have given to us this morning and we look forward to some of the additional points that you have promised us as well. Thank you very much indeed.