

Work and Pensions Committee

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

Thursday 23 April 2020, by audio visual conferencing

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Members present: Stephen Timms (Chair); Debbie Abrahams; Shaun Bailey; Siobhan Baillie; Neil Coyle; Steve McCabe; Nigel Mills; Selaine Saxby; Dr Ben Spencer; Chris Stephens; Sir Desmond Swayne.

Questions 65 - 125

Witnesses

[I:](#) Will Quince MP, Minister for Delivery, Department for Work and Pensions, Mims Davies MP, Minister for Employment, DWP, Justin Tomlinson MP, Minister for Disabled People, Health and Work, DWP, Neil Couling CBE, Change Director General and Senior Responsible Owner for Universal Credit and Coronavirus response, DWP, and John Paul Marks, Director General, Health and Work Services, DWP.



Examination of witnesses

Will Quince MP, Mims Davies MP, Justin Tomlinson MP, Neil Couling CBE and John Paul Marks.

Q65 **Chair:** Welcome to the Committee. I warmly welcome our witnesses. We will go straight into the question session. Each of the questions will be addressed to a particular witness, and if there is any confusion about that, I will try to make sure that it is clarified. We will start with a question from Siobhan Baillie.

Siobhan Baillie: There are three parts to this. Can we have an update on the number of new Universal Credit applications and claims since 16 March? I would like to know whether we are seeing a slowdown of the new cases in recent weeks. What proportion of the total new Universal Credit cases have already received their first payment after the initial wait?

Will Quince: Thank you very much. I am very happy to go through those details. For the six weeks to 12 April, we received over 1.5 million applications for UC. The total to 12 March is 3 million, which is an increase of 4% on the previous month. We usually see around 55,000 in an average week, so on one particular day we had over 110,000 claims. The number of advances paid, which I think was the question that Ms Baillie asked, is over 560,000 since 16 March, and those are paid pretty much instantly, many on the same day or within 24 hours. The third question was in relation to a potential slowdown. We have seen a significant slowdown. Neil, do you have the latest figures over the past few days? My understanding is that we are getting back down to not quite where we were previously but significantly down versus the past few weeks where we have seen unprecedented demand on the UC system.

Neil Couling: We are running at about three times the normal daily intake now. The peak intake was about 10 times, so it is coming off and is on a gradual decline, but it is a new normal much higher than our old normal.

Q66 **Chair:** Can I clarify, Will? You gave a figure of 3 million. What was the 3 million figure relating to?

Will Quince: That is on Universal Credit in total.

Q67 **Chair:** It is just over 1.5 million since the surge began?

Will Quince: Yes.

Q68 **Chair:** There was a letter yesterday from the UK Statistics Authority to the Department, which said, "It is regrettable that some of the breakdowns of management information that your Department had preannounced last week and raised with the Work and Pensions Committee were not published yesterday". It goes on a bit later, "We



HOUSE OF COMMONS

hope the DWP will publish the remaining breakdowns that it had preannounced and we look forward to seeing this information published on a regular basis for the duration it remains relevant to users". Are you able to tell us when the information that was promised will be published and is it going to be published regularly as had been indicated?

Will Quince: That is a fair question, Chair, and I saw the letter late yesterday also. My understanding is there was an administrative error in the preannouncement and that the Permanent Secretary will be writing to you directly to clarify the position.

Q69 **Chair:** Is it your understanding that the information that had been promised will be published?

Will Quince: I think that would be a decision for the Secretary of State and I have not yet had that conversation with her, having had sight of that letter only late yesterday afternoon, but the Permanent Secretary will clarify the position in a letter to you directly.

Chair: I think you will understand that the Committee would be disappointed if a commitment that had been given to us turns out not to be forthcoming, but we will see what happens.

Q70 **Siobhan Baillie:** When we are dealing with our casework, we still have people who are quite nervous about the initial wait for money, and I just want to go back. I did not quite catch what you said about the proportion of people who have received their first payment. Another part of my question was to understand whether there have been any delays or timeliness issues for the people who had already made an application prior to the sad situation we find ourselves in with coronavirus.

Will Quince: That is a really good question. I didn't quite answer your question. The 560,000 represents advances paid since 16 March, but claimants who applied on 16 March will have received their first payment yesterday and at least 93% of people are forecast to receive their payments in full and on time. I have to stress that that is quite an incredible achievement when you consider that we, like most Government Departments, are about 25% down in staffing levels because of Covid-19. There is huge pressure on the system, an unprecedented level of claims, yet we have managed to get over 93% of people paid in full and on time. That is huge credit and testament to the staff working at the DWP who have gone above and beyond to make that happen.

Chair: I know I speak on behalf of the whole Committee in asking that our thanks should be passed on to all the staff who have been involved in this. It has been a very important, significant and very welcome achievement and the Committee is grateful to everybody who has made that possible.

Q71 **Steve McCabe:** My questions are about advances with respect to Universal Credit. They are primarily aimed at Will Quince. Good morning, Minister. First, do we have a latest figure for the proportion of new Universal Credit claimants who are asking for an advance? I think the



HOUSE OF COMMONS

earlier figures suggested it was running quite a lot lower than the normal advance figure, which is around 50% to 60%.

Will Quince: The average figure in normal circumstances will be about 60%. My understanding, based on the current run rate, is that it is about 33%, 34%, so it is a significant difference. I think there are some pretty good reasons for that but I will wait for your follow-up questions before springing into that.

Q72 **Steve McCabe:** Feel free to tell me now.

Will Quince: We are going to have to look at the analytics and data on this. As you can imagine, although we have deployed around 10,000 staff into the processing of claims, which has led to that very high number of claims being paid in full and on time, we are also recruiting a further 5,000 staff. But what we anticipate is that the cohort of people coming on to Universal Credit is likely to be somewhat different from what we would see in ordinary normal circumstances, for example more self-employed, more people coming on with savings, people who are still awaiting salary or money coming in from previous employment, people who don't necessarily need an advance in the way that people have done previously. But of course we will have to pick through all this data. When we get our full analytics team back on track post the redeployment of staff into processing, we will want to look at that in great detail, as no doubt the Committee will, in the fullness of time once we are through the peak of this very high, unprecedented period of claims.

Q73 **Steve McCabe:** I know that on the online form there is a specific reference to an advance, so people should see that if they are filling it in. Is there any other way you are making people aware of their entitlement to claim an advance?

Will Quince: JP, do you want to answer that, because that is operational?

John Paul Marks: Thanks for the question. Basically, everybody who makes a new claim, who wants a new claim advance now can do so through their online account, as you said, and that is visible and clear to them. The information is also available on gov.uk. Our communications team has been doing a significant job of trying to put out social media messages and making people clear and aware of that. If customers ring us through our new claim appointment line or our service line, we can advise them about making an advance payment and we can process that for them over the phone if they cannot do it online.

We have got ourselves into the position where the jobcentres in local communities are able to process the new claims and the advance within a week. For people making a new claim, on average we are getting the identification result and the advance processed and into their pockets as fast as possible. It is getting done very quickly now and that is a great testament, as colleagues said, to the hard work of the local jobcentres in getting on top of the processing and the demand.



Q74 Steve McCabe: I think we have dealt with how you might get an advance and how you might get notice that you are entitled to claim one. Can I ask a little bit about people who are having difficulties with repaying advances? We know that that was a concern for the Department before the coronavirus problem came on the scene. I understand that work coaches have the discretion to pause the repayment of advances where they believe people are in difficulty. How do work coaches realise that they have that discretion? Is there a memo or a guidance notice or something we can refer to so that we can say, "This is within your power"?

John Paul Marks: All our guidance for our work coaches is available for them in our Universal Credit learning intranet, through their learning and development and the support that they get. As you say, one of the things we are constantly trying to do is make sure we are delivering the service with compassion and empathy and we are listening to the hardship or needs of our customers. If a customer comes through and is someone who is struggling with money in their pocket, we will do everything we can to support them, whether that is extra support they might be able to get on Discretionary Housing Provision from the local authority or they might be able to have access to a budgeting loan. In certain circumstances, we can look to adjust their advance repayments with our debt management team so that it is smooth over time and mitigates risks of hardship.

Q75 Steve McCabe: Out of curiosity, how many of the new people who are claiming Universal Credit because of the impact of the coronavirus crisis have a work coach?

John Paul Marks: The main significant thing we did, immediately the scale of demand that has impacted us was clear, was close our jobcentres to the general public, consistent with Public Health England guidance on social distancing, and move all our work coaches into new claims processing. We have basically suspended the back-to-work regime that was face to face and operating in jobcentres. The concept of a named work coach to own your case and operate it is not working in the way that it was under business as usual. Everybody who makes a new claim will still have a named case manager. If a customer, for example in your situation, was calling to talk about an advance, the phone call will route through to the named case manager who owns that case and will be able to talk to them about their situation, housing, carers and so on. The processing is being delivered by the work coaches and every jobcentre is linked to every service centre. They are working as a team.

Q76 Steve McCabe: The named case manager fulfils the function that the work coach would have fulfilled in deciding whether or not we can pause the repayment; is that right?

John Paul Marks: Yes. We have a geographically-aligned operating model and the service centre and the jobcentre operate as a joined-up team with a single accountable leader for the quality of service into that



community. For example, if somebody contacts us through the journal and says they need additional support because of a particular risk in their life, it might be that the work coach would do the outbound call to talk to them about what we can do to help.

Q77 Steve McCabe: Minister, I think this is really for you. You will be aware that a number of organisations—Crisis, Citizens Advice, Turn2Us—have all suggested that either you should turn these advances into non-repayable grants for the duration of this crisis or at the very least you should suspend repayments, as has been done with repayments for Tax Credit overpayments, Social Fund loans and so on. Have you considered this and, if so, why haven't you done it?

Will Quince: We looked at all options at the very beginning when we anticipated and then saw a spike in claims, working with Her Majesty's Treasury. The request for turning advances into a grant is not a new one from the Committee and so work has been undertaken on this. Even if we were able to secure the £2.2 billion a year that would be required to do that, it is not operationally deliverable and that is the biggest reason, among many others, why it was not even really considered as an option. It is not operationally deliverable and, therefore, it was not something that we considered.

I think the important thing is that we looked at other ways that we could get support to people who need it and that is why we increased Universal Credit by £20 a week. An average person pays back £50 per calendar month on an advance. We have put an extra £80 per calendar month into people's pockets, which is £30 in excess of any advance repayment. What we are seeing is about half the usual number of people requesting an advance. We looked at what can we operationally deliver, what can we get over the line and how can we get money to the most vulnerable people in our society who need it most as quickly as possible. Increasing the rate of Universal Credit was the way in which we could do that.

Q78 Steve McCabe: Minister, I accept that. I understand your point and that certainly explains why you do not want to convert it to grants, but why haven't you deferred repayments as you have done in a number of other areas? What is different about the repayment for a Universal Credit advance?

Will Quince: I will hand over to Neil in a moment, who can explain why operationally that is difficult to do. The other thing to stress is that we have put all available resource into the processing of claims and that is how we have ensured that such a high number of people are paid in full and on time. The point is that those who need an advance are getting it and are getting it quickly because of the hard work of staff in our Jobcentre network on the telephones up and down the country and online. We are making sure people get the money when they need it. There are many other good reasons why turning the advance into a grant is not such a smart idea and why increasing the standard rate of UC is a much better idea. If you take, for example, the cohort that is currently



HOUSE OF COMMONS

coming on to Universal Credit, which is 1.5 million people, many will be either ineligible or will receive a nil award. They may have, under the scheme that you propose, received an advance but then may not be eligible for UC, so the risk of fraud and error and people getting into debt is significant too.

Neil, would you like to address the operational questions of why at present we are unable to either change the system or defer payments?

Neil Couling: Briefly for the Committee, the reason why we are able to do so startlingly well on clearing claims—as we said, 93% paid in full on time for the first set of payments and I think it will be higher than that by the time we do the final tally—is because of the automation in the system. If you wanted to block defer the recovery of advances, that is all automated in the system. We would have to strip out the automation and put human beings on to doing those deferrals, which would affect our ability to pay claims because those human beings are currently working their absolute socks off getting those 93%-plus claims paid. It is a choice between deautomating the system and giving humans a lot more new tasks to do or keeping the automation in the system and allowing the new claims to all get paid, and that is what is going on.

Q79 **Neil Coyle:** What Neil Couling has just said is “the computer says no”. Automation is preventing turning this into grants. What the Minister seems to be suggesting is that your preference is not to change the system, to allow automation and to see 500,000 additional people who are getting the advance payments go through the same problems we have seen on this Committee for years: higher foodbank use, prostitution and sex work in some cases, homelessness and even premature deaths of some of the people who will be forced into destitution as a result of not being able to pay back this money. Is it the Minister’s preference that we see the continuation of the problems that we have had for seven years rather than employing more work coaches to take on and handle the capacity that we are now seeing?

Neil Couling: I think, Mr Coyle, with deep respect, that is really a partial understanding of the situation. If I wanted to take on 20,000 work coaches, for example, I wouldn’t have anywhere to put them right now because of the social distancing rules. This is a health crisis and the absolute priority in the health crisis must be to get people paid so that they have the money on which to live and subsist and follow the Government’s guidance on keeping safe during the pandemic. We have had 1.5 million claims and there is a difficult choice to be made about whether you get those 1.5 million claims paid—

Chair: I think I need to intervene. We are having a bit of difficulty following the discussion. Neil, I am going to call you in quite soon, a little bit further on, so by all means come back on this if you would like to then. I do need to come now to Chris Stephens who has joined us.

Q80 **Chris Stephens:** The question is to Mr Couling. You quite rightly



HOUSE OF COMMONS

recognise the colossal efforts of DWP staff. To pick up on Mr Coyle's question, could you talk a bit about how many staff you are needing? Is it the case that staff are working a lot of overtime? How are you dealing with those issues and with social distancing issues in the contact centres that you described to Mr Coyle?

Neil Couling: We are following the social distancing guidelines, as you would expect, in our service centres and jobcentres. A lot of work has gone into that. We have had a lot of overtime working and we have been talking to our unions about that and making sure people are getting the breaks that they are required to have under the law and for their own sense of health. By putting the jobcentres into mini service centres we have 10,000 extra people to work on the cases and the Committee will know we are in the process of moving 10,000 of our own other staff in the Department to these tasks. That is what we call a respond phase of the pandemic.

We will soon be moving into run: how do we run under this new normal? We are working up the social distancing rules with the kind of constraints that we have on us currently and when we have planned that we will then plan our recovery. How do we get the jobcentres back open and providing the kind of help that we all want to provide to the number of people that we have unemployed in UK society now? There is a whole staged process to work through and that is what I am planning. I am leading its delivery with Mr Marks and we are working hand in glove with our trade unions on that because we, like them, want to keep our people safe through this. We want people to be paid.

Mr Coyle and I were just discussing—probably arguing a bit—and I was trying to get across the point that it is vital to keep levels of automation in the system because that is the thing that is carrying us through. We have had 1.5 million claims in the space of six weeks. Without that automation, we would be unable to deal with people's claims.

Q81 **Sir Desmond Swayne:** In respect of verification, which has always been a bugbear, we are now using the Gateway. Will the Gateway continue to be used after the coronavirus has passed? What additional simplification, better queuing and other remedies to speed that process are you considering?

Will Quince: I would like to apologise to those who had to wait quite a considerable time to verify their claims during the peak. We were receiving over 2.2 million and 1.8 million calls respectively on 30 and 31 March. The system was under considerable pressure. Verify is not a DWP system; it is a Cabinet Office system. They did work very quickly to resolve that issue. As you rightly said, we introduced the Gateway system, the PYI system. We also introduced a system internally, a process that meant that we would call people back instead of people having to call us. We were managing to get through to most of those within 24 hours. During the peak it was an unsatisfactory position but the Department really did move mountains to make sure that we were able



HOUSE OF COMMONS

to resolve that situation as quickly as possible. JP or Neil may want to come in on that in a bit more detail.

It is unprecedented and we have to keep that context but we will be looking in detail at processes and changes we have made and what we may wish to keep going forward.

John Paul Marks: To build one step on that, if it helps the Committee, I absolutely agree with what Neil is saying. Automation but also multi-channel delivery is so critical to us at the moment without our base channel. The prove-your-identity Gateway solution that has been accelerated is an improvement in our customer service and experience. More people will be able to verify identity online as a result and then we will increasingly be able to iterate that over time so that more and more people can flow through it. I would reassure the Committee that not only do we talk to our frontline every day to hear how it is going and their ideas and what more they need to help them deliver, we also work every day with our product team to ensure that, with the changes we have put in place, we continue to learn and innovate and, wherever possible, always improve for the future.

I have two small examples. We are able to maintain new claims for our Personal Independence Payment service, even though we do not have face-to-face assessments, because we are doing telephony-based assessments. That is working well and the journey has improved. Similarly, for ESA "new style" we have been to go online this week with a digital service and that is enabling more people to access benefits faster than they used to under the telephony system. With all these changes, wherever possible, we want a baseline for the longer term and that will release more capacity to focus on more support for those who need it.

Q82 **Sir Desmond Swayne:** Moving on to the question of the additional £20 per week for Universal Credit, we are being told that the additional costs consequent on coronavirus exceed £20. What is the Minister's assessment of that and is there a case for increasing it further?

Will Quince: Thank you very much for that question. The additional £20 a week brings Universal Credit into line with statutory sick pay. I think it has to be seen in the context of the amount of money being put into our welfare system. It is not just UC. It is also the Local Housing Allowance increase to the 30th percentile. UC will put an extra £80 into an average person's pocket. The LHA rate change will put an average £60 back into someone's pocket on an average month. That is a £6.5 billion injection into our welfare system, which incidentally will take our spend on working age benefits this year probably to over the £100 billion mark for the first time ever. But it has to be seen in the context of the overall package of measures that the Chancellor is bringing forward, including things like the mortgage holiday period for three months, the protection for renters, the £0.5 billion support for local council tax and hardship funding, the additional money through the furlough scheme and other things. It is an overall package of measures from the Chancellor, but I do think the £20



a week will make a significant difference, especially when combined with Working Tax Credit and the LHA rate increase.

Q83 Sir Desmond Swayne: In my youth there was an income-related welfare payment for the first few months when people became unemployed so that they could adjust to the new circumstances. Here is a difficult policy question and it is in two parts. We have now seen people who have never had any experience of the welfare system before suddenly become unemployed with significant costs to which they have to adjust. Is there a case in equity for there to be some sort of income-related element, given that they are looking at contemporaries who have been furloughed who are receiving income-related payments? With respect to the function of the welfare system as part of the automatic stabilisers in the Keynesian model, if we are looking to prevent a complete collapse of aggregate demand, is there not a case for income-related payments for those who experience sudden unemployment?

Will Quince: There are two questions there and they are probably better questions for the Treasury than they are for me. Our focus, as part of the DWP and as part of our welfare system, has always been about providing the safety net. It is not about income replacement, it is about providing people with support when they need it the most for a period of time. It is about supporting the most vulnerable in our society and making sure that support is targeted to the most vulnerable people in our society. I have no doubt the right honourable Gentleman could make a case along those lines to the Treasury, but our focus at this time is about finding people who need support, making sure that they can put in a claim and then making sure that their claim is paid in full and on time. To be honest with you, all focus is on that.

I understand the concerns of Mr Coyle, Mr Stephens and others who want this big policy change and these big structural changes, but any of that detracts from our core work of making sure that this unprecedented demand is met and people are getting their payments in full and on time. If I had to make a choice between looking at any other process or system and making sure all resources are diverted into helping people and making sure that they get the money they need as quickly as possible, it will always be the latter.

Q84 Shaun Bailey: This one is for the Minister for Welfare Delivery. It is a question in two parts and it is about the savings threshold of £16,000. Many applicants that we speak to or many people who come through our casework are finding that they are ineligible for Universal Credit because they hit this savings threshold of £16,000, despite the fact that often they are losing quite a large amount of their income. What is your view on the threshold now? Is there any scope for being a bit more flexible with the threshold or relaxing it? We are seeing a similar situation with people who are self-employed. They are putting money aside to pay a tax bill at the end of the year. If we are going to force those people possibly to live off their savings, they will not be able to pay their tax bill. Is there



any scope for flexibility with this at all? What is the Department's view on the threshold during the pandemic?

Will Quince: That is a very good question and it is one that is asked a lot. I will answer it in two parts. The first is in relation to the £16,000 of savings. I do have huge sympathy with people who are in this position, especially a young couple who have saved for a wedding or a deposit on a house, for example. But we do have a fundamental principle in our welfare system, and always have done, that the state is there to support those who need it. If you have over £16,000 in savings, the principle is that you should be using that money to support yourself through difficult times and not just rely on the state.

I think you raise a very valid point in relation to the self-employed. We have looked to revise guidance on this and make sure guidance is clear to work coaches. If somebody has set aside money for tax purposes and for paying a tax liability—we know that the Chancellor has, in effect, deferred that tax liability for a year but that is just a deferral and that tax will be due—we have given very clear guidance to work coaches and customer service managers around the country that that money set aside for tax liability can be considered to be a business asset and, therefore, is not taken into consideration as part of disposable income and does not fall under the £16,000 savings rule.

Chair: Thank you. That is very helpful.

Q85 **Neil Coyle:** The FSB has been in touch to suggest it is not very clear how people qualify for that. Martin Lewis mentioned in his ITV programme last week that the lack of clarity is a big concern for those who are in this exact position. How do people qualify for this? How is the Department making clear the eligibility criteria and how it is being disseminated thorough your systems? Is there any scope for further discretion on that £16,000 savings for tax purposes?

Will Quince: I will bring in JP to answer the specific question on the guidance and how it is being followed through on the ground. To be clear, if we have to do further work on this, we can absolutely look into that.

Your broader point about the £16,000 comes back to two questions. The first is: is it right to do it? The second is: is it operationally deliverable? The reason we have been so successful so far in ensuring that over 93% of people have been paid in full and on time is because we have not looked at structural or system change. If we were to look at doing so, we would have to redeploy staff and significant numbers to make changes of this nature. As a result, that is something that I am not prepared to do because operationally I would question whether it is deliverable and deliverable in a short period of time. It would take months to do and take away a number of key assets of resource and people that we have from ensuring that we have the capacity within the UC system to process claims.



But JP will come in and talk about the guidance and how it is being delivered on the ground.

John Paul Marks: When people make a new claim for Universal Credit they are asked to declare their capital and we have made clear in the guidance and put in on gov.uk that self-employed claimants who have business assets over £16,000 can still get support from Universal Credit and it would not be declared as capital that affects their entitlement to Universal Credit. We introduced those regulations on 30 March when we suppressed the minimum income floor for everybody who is self-employed. That removed the impact on people's income. We signpost claimants to this guidance, again through gov.uk, and we do not require them to go through that gainful self-employment test anymore for their entitlement. Basically, someone goes online, makes their claim and puts in their capital based on the guidance that is available on gov.uk or the build in the UC service. We would treat that as capital that is relevant to the claim in the normal way and it would not declare business assets over £16,000 as capital.

The only extra thing I would say is that we are focused every day on every single blocker that is impacting a UC claimant's payment that is due, to double check everything we have done to ensure that we are paying everybody we can on time and in full. Where we see someone who is self-employed and has a capital entitlement, condition of entitlement outstanding, we will do the outbound call. We will talk to them, understand their position and try to be as absolutely confident as we can that they understand the guidance, they have declared the right amount of capital and they get the UC they are entitled to.

Q86 **Neil Coyle:** Both the Minister and JP have said this about operational views rather than accessibility for individuals or where people go for support. My concern is not just the capacity. I appreciate, Minister, that you want to get these people through but I am assuming you also want to get people through effectively. We have seen on this Committee for years people who have gone on to Universal Credit and been entitled to less longer term. We have seen people have mistakes made. I do not see that there is any capacity or changes being built now that will prevent any of that from happening going forward. Those who are erroneously put on to Universal Credit at this stage is something that businesses, the FSB and others are concerned about. How are you preventing that? How are you monitoring for accuracy or, better still, improving?

Will Quince: There are a few questions in there. The first is that this is a binary choice about how we deploy our resources to ensure that we are best serving any vulnerable people who we look after and they get the support that they need. I could look at multiple areas of system change or operational change but that will take at the very least months, and could take up to a year in some cases, and will take some of our key resource away from the delivery of that welfare, making sure that people get their payments on time and in full.



I would like to stress one other point. Mr Coyle, you have raised this point about automation a few times. If we did not have Universal Credit, we would be having a very different hearing from the one we are having now. If we had the legacy system and were relying only on that, you would rightly be saying to me, "Why aren't people getting paid? Why are there long queues outside jobcentres that are half closed, because people can't get the forms they need to make a claim?" We have an online system. Thank heavens we do, because it is working incredibly well and we have been able to process over 1.5 million claims and get over 93% of people paid in full and on time. When I look across the world at some of the countries where they don't have advanced, dynamic, agile systems as we do, I can absolutely assure you that their Ministers are looking at us in the UK and saying, "I wish we had a system like that". Is it perfect? No, it is not. But is it working for people who need funds quickly at the moment? Yes, it is.

I would also stress that you look at other Government Departments and the measures that they have been bringing in as part of Covid-19. Look how long it is taking them to deploy those measures and put them into operation. We are the fastest Department to get money to people who need it. We should be incredibly proud of that and incredibly proud of all the staff at DWP who have been absolutely busting a gut to make sure that those payments are paid in full and on time.

Q87 Steve McCabe: We have been talking about people who may be excluded because of their savings threshold. I have quite a large number of students in my constituency. They are at the other end of the scale. Some of them are now virtually destitute, yet they still have to pay bills and rent. They would normally rely on retail-type jobs, most of which have now dried up because of the crisis. Has any consideration been given to expanding the threshold for access to include people like students? I am thinking particularly about those who might be on master's type degrees who get very little support anyway. These are people who are really struggling now.

Will Quince: I do have huge sympathy for people in that position, but I come back to the fundamental point around what is operationally deliverable and whether we would be able to make that kind of change realistically in the timeframe that would be required to benefit those individuals. I do have sympathy with what the honourable Gentleman is saying, because I have a large university in my own constituency, but I suggest that that would be a better question for Her Majesty's Treasury and not for this Department.

All Departments are working incredibly hard under some huge pressure and great difficulties, but two in particular—MHCLG and the DWP—really have to strain every sinew and redeploy huge numbers of staff. We do not have the operational capability to deliver the kind of change that the honourable Gentleman requests.

Q88 Siobhan Baillie: I know that the Treasury is doing an awful lot to



support the charity sector but charities are under extreme pressure at the moment. In more normal times, a third of welfare benefit claimants would need ongoing support to manage their benefits and the CAB provides that support through the Help to Claim service. Has there been an uptake in Help to Claim, what sort of figures are we looking at and how is that working?

Will Quince: Help to Claim has been a great success story over the past year. We have recommissioned that service for a further year, incidentally just before the outbreak of Covid-19 and the declaration of a global pandemic. Help to Claim has had to change its approach, like us. We have had to close jobcentres and they will have closed citizens advice bureaux around the country. They are still operating the telephone line and internet web chat service, but naturally it is at a reduced level. I have yet to see data in relation to Help to Claim take-up, but I will certainly write to the honourable Lady and the Committee with further detail when I have had that conversation with Citizens Advice.

I have been somewhat cautious so far about putting additional pressure on organisations that I know are under great pressure at the moment. In the same way that we are not asking our analysts to do great pieces of work, I have not been asking charities to do so either, but I will gently make that request and make that information available to the Committee as soon as I can.

Justin Tomlinson: To add to that, I had a teleconference yesterday with the Disability Charities Consortium, with the chairs who represent the major disability charities. This was a particular issue highlighted because they do a huge amount of work supporting claimants who go through the disability benefits system. They are seeing a significant drop in income immediately and they are very worried about the future and the ability of their major business sponsors to continue giving them money. What we are doing to assist is they are all getting together on Monday with my officials. We are going to pull together all their evidence, challenges and suggestions and feed that directly into Treasury. It is a really important point because whether it is UC or disability benefits, a huge proportion of the claimants will rely on trusted third parties and they make an important difference.

Q89 **Siobhan Baillie:** A set of survey results will be coming out to you shortly, which the Committee has produced. One of the headline acts is that understandably quite a lot of the new benefits claimants are not familiar with the system, they are struggling with understanding the system, and I can see that the pressures are going to go on to the third sector and Citizens Advice. What resources have already gone into Citizens Advice, if you have those details today? A point that I am concerned about is if the furlough schemes come to an end in the future, we are going to see another surge of applications going in. At what stage will there be a review where you look again at assisting Citizens Advice and other agencies to help?



Will Quince: We continually keep that under review. The contract last year in the Citizens Advice was for £39 million and we rolled that on for a further year. We had launched a new Universal Credit transitional fund of £10 million but received only a small number of bids at the point of Covid. We had to pause that, understandably, because of the internal resource capability and also of the charities to put bids into that. But I will look to start that as soon as possible because we know that a number of charities, as Justin Tomlinson rightly pointed out, support some of the vulnerable claimants to access Universal Credit and wider disability benefits. We want to support them as much as we possibly can through this period.

Q90 **Chair:** We are going to come in a moment to the disability benefits that Justin Tomlinson was talking about. I have a question before we do and I think Debbie Abrahams may have a quick question on Universal Credit before we move on to the disability benefit questions. My question is to Mims. Will has set out the rationale for the increases in Universal Credit, Working Tax Credit, Local Housing Allowance. Those increases have been very widely welcomed but, given the aim of those increases, why has the benefit cap not been raised?

Mims Davies: Before I answer that, I wanted to reiterate my thanks to the staff at DWP for the amount of work that they have been doing. I think over the four days of the bank holiday weekend we had the equivalent of 27,000 full-time extra hours for processing and supporting people to receive the payment timeliness that we heard from Will. The biggest thing of closing the jobcentres and pivoting people into that support, helping people to work at home, and helping people to come in and do this job on the frontline safely has been immense and I wanted to express my gratitude to all our staff for that.

St Mungo's raised the benefit cap yesterday and I was interested to hear the Committee talking about the importance of the third sector. I was the Charities Minister and I absolutely agree with that. I know that there is some work being undertaken there and I have been to St Mungo's and seen the work that they do, particularly around social impact bonds. They are a brilliant charity. What we are seeing is, potentially with the changes—the £6.5 billion coming in to support people, as you have heard from Will, in the most operationally easy way—that there are going to be some potential challenges and this is where the issue around the benefit cap has come into play.

There is possibly a small number of people—if we think about the number of claims that Will was talking about this morning, 1.5 million new UC claims—who have been brought into this, particularly people living in London. I do believe that, because of the real-time earnings—and it does not surprise me, Chairman, that you are asking as the MP for where you are—this hopefully will impact a very small number of people. JP and I spoke about this yesterday. It is something we are going to try to have



HOUSE OF COMMONS

an understanding of, as Will said, when we take learnings from this. As I said earlier, a lot has changed.

What I think will be helpful in the broader scheme is that most of the people that we have heard of who are coming into UC now hopefully will have come in with a real-time earnings opportunity or a work history, which would then allow them to have that nine-month grace period. My plan as Employment Minister is, when we go through the recovery stages, to try to get those people back into work as soon as possible so that it does not impact them. But we are aware of this number of people who could be affected and the overall scheme, as we have heard very clearly from Will, is to operationally deliver to the most vulnerable and help in the quickest way. That is what we have been trying to do and there will be small numbers of people perhaps caught up in this issue.

Q91 **Chair:** Thank you, but I am not sure it is going to be small. According to St Mungo's, which you have spoken to, in 57 out of 63 Local Housing Allowance areas in London, a single person claiming Universal Credit and Local Housing Allowance for the rent of a one-bedroom flat will have their benefit cut because of the current level of the benefit cap. In my constituency, as you have acknowledged, it is a cut of £40 a week compared with what the system ought to be delivering to them. In some places in London, it is £90 a week. Isn't it a very clear example of one Government policy scuppering another? Surely simply increasing the level of the benefit cap would be a pretty straightforward thing to do operationally.

Mims Davies: I am not sure whether that is operationally as easy to do as it sounds but I am going to check with Neil on that. Is my understanding correct on that, Neil?

Neil Couling: It is not the most difficult to do. I have had a number of suggestions that people have put out for some very difficult things to do, but it is challenging. For a new claimant coming on to Universal Credit from work for nine months the benefit cap will not apply.

Mims Davies: That covers the grace period. But I suppose it is going back to the earlier point that Will raised regarding the balance of the need of this welfare system to be a safety net, to be affordable and a system that incentivises work and where you can work you can get the benefit of work.

Chairman, you talked about interfaces here and I think it is clear from what Ministers are saying to the Committee this morning that there will be learnings about the interfaces. Some of these changes have been made within a month to support 1.5 million people. We will see the next layer of statistics on this in May and then in August, which will cover the time of the pandemic. I am hopeful that the cap and the grace periods will cover most people, but I would like to remind people that there are hardship funds available and our local councils also have hardship funds and additional money has come from the Treasury to MHCLG. Anybody in



that situation should work with charities and their MPs to alert them to the impact. There are ways of mitigating it.

Chair: I am sure Neil is right that it is not a particularly difficult thing to raise the level of the benefit cap. It seems to me that the policy ought to be adjusted given the circumstances that we are in and I am sure that will be looked at.

Q92 **Debbie Abrahams:** My question follow on from yours, Stephen. I wanted to understand about the benefit cap and its application. Are we clear about the number of people who may be affected by this? I appreciate that analysis may be in its early stages. What is the assessment of the levels of debt and poverty that might be incurred, given the concerns about the level of adequacy of both the LHA and UC upgradings?

Will Quince: Mims, do you want to take the first one on benefit cap and then I will answer the question about adequacy?

Mims Davies: I think it goes back to the original point about the balance and DWP having to strike a balance when it comes to the safety net and the cost to the taxpayer. I think this is a valuable principle. We are in a different time with the pandemic and the people who we are seeing coming into the benefit system, but we have always sought to underpin the value of work and make sure that that underpins our welfare strategy. I accept that opportunities for certain sectors are very challenged. There is no doubt there are other sectors that are thriving and in need of people, and that is one thing I would like to highlight to the Committee. There has been some fantastic work on essential work and helping keeping the country ticking over, which has really made a difference. People have been getting into those jobs, something that they might not normally have considered.

There will definitely be a change in the job market—and I am sure we will come on to that later in the Committee—but the reality is we have tried to do the right thing in investing the £6.5 billion operationally in the quickest way, underpinning what our welfare state stands for, and that is where we can it is a safety net for people. I know Will is going to take the second point.

Will Quince: Not only is it a £20 uplift to Universal Credit and Working Tax Credit, it is a significant increase to the LHA, which is about £60 a month.

Q93 **Debbie Abrahams:** The point about the benefit cap, Will, is, will it actually be eradicated?

Will Quince: Some people will still be subject to the benefit cap, there is no doubt about that, but there is further support for individuals in those circumstances. Discretionary Housing Payments sit outside the benefit cap.



Debbie Abrahams: The term says it all. They are discretionary.

Will Quince: We have invested another £40 million in the Discretionary Housing Payments and given an additional £500 million to local authorities to support individuals and families with local council tax support and hardship funding. It is part of a broader package of measures and although I understand your concerns, the uplift in Universal Credit, Working Tax Credit and the LHA are exactly what stakeholders were asking for before this pandemic. We have responded. We have responded with an unprecedented uplift to our benefit system. It is £6.5 billion invested in our benefit system. We acted very quickly.

Q94 **Debbie Abrahams:** Given that £37 billion has been taken out of the system since 2010, this is just a drop in the ocean, isn't it?

Will Quince: We are getting the extra resource to people who need it and as quickly as possible. We are doing that under huge pressure and in very difficult circumstances, faster than any other Government Department. I am very proud of all of our teams across the DWP who are making that happen.

Q95 **Dr Ben Spencer:** My questions will focus on the disability benefits. How is the new system of paper and telephone assessment for claims working at the moment for new assessments?

Justin Tomlinson: Really good. We, rightly, very early doors, made the decision to end face-to-face assessments. That was before the lockdown measures because we were conscious that you would expect a significant proportion of the claimants to be vulnerable and we wanted to avoid them having to do unnecessary travel. It proved to be the right decision. For those who would be due for reassessment in the next three months, we have automatically extended their benefit by six months. If their condition has deteriorated and they feel they would be entitled to more money, they can still request a reassessment but otherwise they are automatically extended. For new claimants, the terminally ill and for those who ask for it, we are seeking to do it by telephone and by paper-based reviews, adopting a very sympathetic, claimant-supportive view of this because we recognise that there are increasing challenges to being able to get adequate medical evidence, so we are relying very much on the claimants' cases as they explain them.

We have had feedback from claimants who have said they are pleased the gateway remains open. We have had positive feedback from the assessors, who are appreciating the ability to work from home.

As a side issue, this is beneficial for us because we were due to publish the Green Paper that was looking at the assessment process and claimant experience, recognising there is anxiety among claimants, and what more we could do to reduce that. Through the forced changes we have had to do to handle the Covid-19 emergency, we are testing those. When we return to a normal state, there will be some valuable lessons about how



HOUSE OF COMMONS

we can better use medical evidence and oral evidence from claimants and increase the proportion of cases that are done as paper-based reviews.

Q96 Dr Ben Spencer: You have jumped the gun a bit on my follow-up question. How many of these assessments are having to have supplemental medical evidence? How is that process being handled? Are you learning from this in terms of how to modify the system going forward?

Justin Tomlinson: Yes. Our analytical teams will be poring all over this. At the moment, it is mostly anecdotal.

We have also seen a significant drop in the number of new claimants. We are not totally sure why, but in January there were 51,000 new claimants in the month. At the beginning of March it was around 12,000 a week. That is now down to 5,000 a week as of last week.

We are trying to be as sympathetic and as helpful as we can and that was what drove the decision to do the automatic extension and to take out the volume so we could then prioritise. It is important to keep the gateway open for those who are terminally ill and new claimants and those whose conditions change so that those who need access to that additional financial support through the disability benefits can get it. I am proud of the team that managed to keep this going.

Q97 Dr Ben Spencer: How do the numbers and the turnaround times compare with, let us say, the equivalent time last year? How many new assessments were going through a week in March and how long has it taken for these to be processed through?

Justin Tomlinson: The number of new claimants coming into the system is roughly half what it was. The average length of time from the beginning to the end of the process has improved.

Before we high-five and say this is brilliant, that is probably as much a reflection of the fact that the volume of business has fallen. The number of staff that I have normally across disability benefits is about 5,600 and we are at about half of that now. There are about 2,000 left within the main disability Personal Independence Payment. We cannot read too much into that.

But obviously, as a broader point, wherever you are able to do paper-based reviews or telephone assessments, it will speed up the claimant experience because you are removing that period of time when you have to book, wait and attend a face-to-face assessment and for that information to be collated and passed on. That is why I have said there are a lot of valuable lessons to learn out of this.

We cannot do it for all claimants, which is why PIP replaced DLA because DLA used to rely purely on paper-based reviews. The face-to-face assessments for some cases will tease out higher rates of support because not all claimants are aware of their full menu of medical



conditions. I often get challenged by some stakeholders saying, "In the assessment, you were asking questions that had nothing to do with the condition that I have". We do not know that until we know that. If you look at things such as mental health, you are now six times as likely to get the highest rate of support under the Personal Independence Payment compared with the legacy benefit if you have a mental health condition because we are helping to tease that out.

There is good, there are lessons to be learned, and we will see a greater proportion of claims going forward that can be done by telephone or done by paper-based reviews. Again, that was the thinking behind the future plans for the integrated service. But it will not be for all claimants.

Q98 Dr Ben Spencer: Are you worried about this drop and looking into whether there may be a bias towards people who have perhaps more severe disabilities or a particular group of people who will think, "What is the point of applying if it is going to be more difficult for me to get my medical evidence?", or, "I need a face-to-face meeting to support me through the process"? That perhaps alludes to some of the points you were making earlier about third-party organisations supporting people through it and whether in fact some of the most vulnerable people perhaps might be missing out during the process.

Justin Tomlinson: Yes. That is a very fair question. I am doing a lot of engagement with the major stakeholders and getting them to go back to talk to their members to find out the reasons behind why we have dropped by half. What we might see is that it picks up again soon. We are very alive to that.

We have also made other changes to accommodate that trusted third-party support. If you are having a telephone assessment, we are allowing your friend, family member or trusted partner to be part of that process. A few years ago we introduced the face-to-face assessments, which made a huge difference to the quality of the outcome of the assessments.

That is a really fair question but I am engaged in this. It is too soon. We can only speculate at the moment, but that is a live thing that we are looking at.

Q99 Debbie Abrahams: I am sorry. The audio dipped a little bit and so I could not quite hear Justin's response, particularly in terms of the average time that new PIP claims are being processed.

There was some evidence supplied to the Committee suggesting that these new claims were being put on hold until July. Are you saying that that is not the case? I am sorry if you have already mentioned this.

Justin Tomlinson: No, no problem. Just quickly, the average time for the PIP claims going through the process has at the moment got quicker, but I acknowledge that is probably a reflection of two things: first, a lower volume and, secondly, the fact that doing it by telephone and paper-based review removes part of the process and speeds it up. I am



not saying that suddenly we have gained additional resource to be able to do that. Remind me of the second part of the question. Sorry.

Q100 **Debbie Abrahams:** That covers it. Some people have said that all new claims have been put on hold until July, but that is not the case?

Justin Tomlinson: No, not for new claims. The other thing we have done is, if you were due within three months, we have extended you by six months on your current benefit rate unless you specifically ask for a reassessment because, for example, you are on a lower rate of support and your condition has deteriorated and so you are rightly entitled to greater financial support. We will allow that. We will allow new claimants and we continue to fast-track terminally ill patients.

Q101 **Debbie Abrahams:** Thank you. That is great. That was another concern of the Motor Neurone Disease Association and other organisations supporting terminally ill people. What is the actual time, then, for people once they have completed the DS1500?

Justin Tomlinson: Recognising that it can be difficult at the moment for people to get the DS1500, we have taken on board a very claimant-sympathetic approach in terms of the oral evidence that is coming through and of course organisations can refer in. We work very closely with organisations, and I pay tribute to those such as Macmillan, the MNDA, the MS Society and others who work with us to provide a very sympathetic approach from us so that we do not add additional burdens on to the NHS when, rightly, it is concentrating on the frontline battle with Covid-19.

Q102 **Debbie Abrahams:** Is it two weeks for the terminally ill?

Justin Tomlinson: No, in my understanding, our average turnaround for the terminally ill is still six days for people to access through the terminally ill rules.

Q103 **Debbie Abrahams:** If you are able to follow that up, that would be fantastic.

There was a quick question about audio-recording. Apparently Capita is preventing this. Is that an issue?

Justin Tomlinson: The audio-recording of telephone calls we cannot do yet. We would like to be able to offer that and we are working at pace to try to find a way around doing that. We want to do it, but it was not in place when we made the decision to switch away. Absolutely, we would love to be able to do it. I cannot give you a date, but we are working at pace to find a way that we can do that.

We were looking at audio-recording as a given within the physical assessment centres because we could then literally buy the equipment and put it there in a consistent approach. But when you are doing it by telephone, you are not in a physical location. We are looking at how that can be done. I would like to see it if a claimant wants it and only if a



claimant wants it. It should never be by default because some claimants feel very strongly that they do not wish things to be recorded. If they do, it is beneficial, particularly if there is either a mistake or a disagreement on the decision so that it can be accurately reviewed as part of the mandatory reconsideration or if they exercise the right to go to the independent appeal.

I am absolutely with you on this and in normal times I want to see audio-recording as a given, if claimants want it, in the physical assessment rooms.

Q104 Debbie Abrahams: Two quick ones. First, in relation to adequacy, Minister Quince has repeatedly said—and he is absolutely right—that the Government’s response should be about supporting the most vulnerable. We know that disabled people have been particularly hit over the last 10 years in relation to support, on average receiving £1,200 a year less social security support, yet their additional costs are going up £580 a month by virtue of their disability. Since the lockdown, there is evidence that additional costs to that £580 a month are being incurred.

Is it right that the Government should increase PIP and ESA and other disability support in line with other increases?

Justin Tomlinson: Since 2010, we have seen spending to support people with disabilities and long-term health conditions increase by £10 billion in real terms and that actually equates—

Q105 Debbie Abrahams: Justin, we know. If you look at the DBC’s analysis—you have quoted them before—from last year, it shows that on average they have received less money. There may be an addition in terms of the budget line, but in terms of what actual people receive, it has gone down. There is a huge evidence base to support that.

What are we going to do now when we should be focusing our support on the most vulnerable? Disabled people are the most vulnerable group in society. What are we doing to ensure that they are not going to get further into poverty?

Justin Tomlinson: I am answering on behalf of what I am responsible for, which is disability benefits, which have increased by £10 billion in real terms since 2010, which works out at £15.03 per week per average claimant. The driver behind that was, under DLA, we saw only 16% of claimants access the highest rate of support. That is now at 32% to 33% under Personal Independence Payments.

On the broader point, I recognise that, rightly, the Government put money directly into Universal Credit, partly because that was the fastest way to give people additional support. That is the mechanism to provide income support. The disability benefits are society’s contribution towards the extra costs they may incur through their disability or long-term health conditions. Rightly, they were increased by 1.7% on 6 April as part of the normal budget, which seems—gosh—a lot further ago than it was. We



HOUSE OF COMMONS

continue to work with all the stakeholders to identify different ways to support the most vulnerable in society. Income replacement for the direct costs is done predominantly through the income-based benefits for Universal Credit and then supported with discretionary support either at a local level or at a national level through the jobcentres.

I am proud of how we have increased disability benefits by that extra £10 billion that is making a difference.

One other important point is about simplifying the system because the most horrific statistic I saw was the fact that under legacy benefits, which were so complex, £2.4 billion a year was going unclaimed and 700,000 of our most vulnerable people in society were missing out on an average of £280 per month because they could not navigate the system. The thing that has made the biggest—

Q106 Debbie Abrahams: We could say that in terms of online or digital-by-default. That has also excluded many disabled people. Certainly the evidence from DPAC to the Committee indicated that.

Justin Tomlinson: That was why I was one of the biggest advocates of Minister Quince's moves to bring in the Help to Claim. It gave an extra tier of personal support to claimants and, crucially, it was independent of us. Not unreasonably, many people are very anxious when dealing with the state, whether they are a care-leaver who feels society has let them down or a former offender who feels society has let them down. They did not want to engage with society and we were the front face of that.

I am a huge advocate that at every stage possible people should have either a friend, a family member or a trusted third party. If they do not have those—and many people do not—we should then step in and pay for organisations like Citizens Advice and many others to support them through the process so that, whether the amount we give is right or not, everybody at the very least gets everything they are actually entitled to. That is the most important thing we can be doing at the moment.

Q107 Debbie Abrahams: Thank you. I will pursue this, as you know. I have one final question in relation to disabled people and work. There is, again, anecdotal evidence that employed disabled people are the first to be laid off. This has happened in previous economic downturns. What is the Government going to do to monitor this?

Also, the claims being processed for Access to Work, enabling disabled people to work from home, are being particularly slow. Can I have a response to this? You may not be able to answer this now, but if you could—

Justin Tomlinson: Yes, I can, absolutely.

Q108 Debbie Abrahams: Finally, disabled people are disproportionately represented in the self-employed workforce. How are we going to make sure that those who are falling through the cracks in the various support



HOUSE OF COMMONS

schemes, again, the most vulnerable in our society, are not going to be let down?

Justin Tomlinson: On Access to Work, at the very beginning there was a challenge on the numbers. We have that back to where we would like it to be with a significantly diminished workforce, I have to say. We are being as flexible as we can. We are extending the length of some of those awards. We are removing the fact that they need to get physical signatures from themselves and their employers. We are doing that over email. We are making many operational changes and we are in a much better position.

You are right to raise it because it was a challenge at the beginning, but that is now back into a more settled state.

On supporting disabled self-employed people, absolutely, I do lots of stakeholder engagement around that. I used to run my own business. I am a big supporter of the principle of that. It is going to be a big part of the Green Paper going forward.

You have raised a really important point about whether it will be disabled people who are the first to lose those jobs. I was often challenged around the disability employment gap and I have always at the Dispatch Box said it has to be about the actual number of disabled people who are in work. If you are not in work, you do not really care whether you are part of a small or a large group of people. You care about your own circumstances. We have to be judged on the number. Through Disability Confident, through Access to Work, we have to continue to support businesses to make sure they value people for their ability, not disability. We do not have any evidence yet but we are absolutely alive to it and you are right to raise it.

Debbie Abrahams: There is anecdotal evidence. Please do make sure you have it. Thank you so much.

Q109 **Selaine Saxby:** I want to talk about self-employment. I am sure there are many MPs in rural constituencies like mine with a higher proportion of the workforce who are self-employed.

This is really to clarify. While recognising that this is a huge support package that has been announced—and it is going to take time for those details on how it works to filter through—I wonder whether the Minister could clarify how the Self-Employment Income Support Scheme interlinks with Universal Credit. Is the money from the SEISS grant deducted from UC payments or is there a different process at play, please?

Will Quince: All this information is on [gov.uk/coronavirus](https://www.gov.uk/coronavirus) and on the DWP website.

Of course there is an interlink between the other Government packages and measures and Universal Credit. Unlike the previous legacy benefit system, we do not have those cliff edges. Universal Credit is largely a



perfect system for situations of this nature when people have fluctuating incomes. For example, on the furlough scheme or the job retention scheme, if your income reduces by 80% and you are eligible for Universal Credit, then your Universal Credit award would reflect that. Likewise, if you increase your hours or you are self-employed and you have additional income coming in, your Universal Credit will reflect that. It is a dynamic and agile system.

Unfortunately, under the old legacy benefit system, it was the opposite and you had these cliff edges which meant that if people worked over a certain amount of hours, they would lose their entitlements.

Neil, would you like to come in and give a bit more granularity in terms of the details?

Neil Couling: Yes. That specific question is about the interaction between the Self-Employed Income Support Scheme and Universal Credit. As you have been saying, Minister, Universal Credit responds well to that because we only take into account income received in the month in which it is received. My understanding of the Self-Employed Income Support Scheme is that payments from it will not be paid until June at the earliest. That is what I am hearing from HMRC colleagues. If self-employed people need support now and they claim Universal Credit, they will get two months of Universal Credit without any Self-Employed Income Support Scheme payments being taken into account. We will not go back, so there is no attribution, thankfully. That is one of the reasons we will get the automation that I was exchanging with Neil Coyle about earlier. That means the system is working. We just take into account what income you have had in the past month and the Self-Employed Income Support Scheme will not be paying out, we think, until June.

My advice to self-employed people who have no other means of support and maybe are on reduced hours or whatever now is to claim Universal Credit and we have been seeing that. We have been seeing increased claims from self-employed people.

Q110 **Selaine Saxby:** To follow on from that, you mentioned that the information was on gov.uk. From the evidence that we have been seeing here at the Committee, a lot of charities are not sure where to go for that advice and are not able to give the correct advice to self-employed people. I wondered if there were any further steps the Department was taking to make sure, with so much new information coming out, that the charities that are trying to support people when they phone them do have ready access to it.

Will Quince: Yes, we are trying our best through the Cabinet Office to be as co-ordinated as possible and make sure that the advice interlinks the different packages of support and how they interact with each other. I would be happy to work with the Committee to look at some of the responses that you receive to your survey and indeed speak with stakeholders and see if there are areas in which we can improve. I will



certainly look internally at the DWP and work with the Cabinet Office to see how we can improve our communications.

Q111 **Selaine Saxby:** Thank you. We know that the scheme covers approximately 95% of the self-employed. If you are in a patch with a lot of self-employed people, there are quite a lot of people who, unfortunately, are not covered by this scheme. I wondered if it was possible to detail what other benefits might be available to those people, for example, who have not been self-employed for long enough or who are directors of limited companies with mixed income streams.

Will Quince: Without looking at the detail, the three available would either be SSP, contributory JSA or Universal Credit. I suspect it is most likely to be the latter of the three in the scenario that you paint. But if you have any specific examples—and this goes for all colleagues, not just members of the Committee—please do email those to me. I am trying to have a fast turnaround for getting answers for colleagues as quickly as possible.

Selaine Saxby: Thank you.

Q112 **Chris Stephens:** Minister Quince, we were talking about the self-employed there. I am conscious that a group of people who are getting caught up and falling through the cracks in the support schemes are people who are on zero-hours contracts and are self-employed.

Is the Department monitoring the trends of people like, for example, those on zero-hours contracts and those who are falling through the cracks and is that information being fed into the Treasury to see if the other support schemes could be modified?

Will Quince: That is probably a question for Mims or JP as opposed to me. I can certainly answer it but Mims would probably be more appropriate.

Mims Davies: I am happy to pick that one up. To Selaine's point earlier as well, we have had quite a lot of correspondence on this. Of course, self-employment cuts across various Government Departments. For example, I saw it raised yesterday in the DCMS Committee with the creative industries. I am collating in terms of the correspondence sent into me the particular challenges in this sector. We had 5 million people in this particular sector doing really well until the global pandemic. We know that 95% of people are covered by what the Chancellor has brought forward. We do know that those people who pay themselves through companies and dividends as a return on the investment are not covered by this, so there are definitely areas that we are having to look at.

Certainly in terms of the recovery plan and the work that I am doing on the wider economy and also going to Debbie's point on looking at the impact on disabled people, the impact on women, the impact on young people, I am working with our team to try to make sure that we can



HOUSE OF COMMONS

understand the impacts and then how we manage that going forward into the recovery.

Will explained how UC is the best answer to most people in this situation. I want to check with Neil or JP but I believe, if you are on a zero-hours contract, you are paid your average weekly level and that is factored into your award. I am pretty sure that although you might have a zero-hours contract but you are working an average of 24 hours a week, that will be what awards are based on.

Neil Couling: If it is a question about the furlough scheme, furlough payments will be picked up through the real-time earning system, so we will not make a judgment about that. We will just receive information from HMRC on what people are paid.

I have a son who is on a zero-hours contract at the moment. He has been told by his employer that they are going to apply to the furlough scheme for the average hours that he would normally be paid. That is anecdotal from me—apologies for that to the Committee—but that is my understanding of how HMRC is running furlough.

Basically, on Universal Credit, we just receive the information that we receive through the RTI system and we will adjust people's Universal Credit awards accordingly.

Mims Davies: It is worth highlighting as well about the minimum income floor not being applied. We are trying to free people up. Where people can work and are still self-employed—and there are sectors—they can do so, but, as we have described, there are particular sectors that are more challenged that work this way.

Q113 **Chris Stephens:** Thanks, Minister, for that. Another key group is freelancers and I would ask you to have a look at that. The National Union of Journalists has certainly been contacting MPs about that.

If I can turn now to the Health and Safety Executive, which comes under the Department's remit, Minister, first, do you believe that the Health and Safety Executive has the powers it needs to deal with this particular pandemic? How do you expect the HSE to liaise with police and local authorities in terms of enforcement?

Mims Davies: Yes, I picked up the HSE in my portfolio towards the end of last year and the Secretary of State and I were really keen to try to look at the broader issues of health and safety and bring in mental health and other challenges at work and boost that side of it. We are seeing a completely different scenario of engaging with the HSE at this particular time.

I want to say that my experience of working with them over the last few months and the information that they are providing across Government and into communities and for employees and employers is really impressive. If people have not seen what is on their website and engaged



HOUSE OF COMMONS

with them, I know they have been helping trade unions and they have been doing a fantastic job.

There is a really solid framework there, which is working with the existing legislation. They have the powers they need. They have been pragmatic, advisory and understanding. Of course, some of this regulation sits between MHCLG and us through the HSE and they are doing a fine job. They are doing direct work with the Cabinet Office and there are dedicated helplines and support through the NHS as well. They are really showing their worth. I cannot praise what they are doing highly enough. They have certainly taken what I feel is an appropriate and proportionate response but have also been very approachable on how they manage things.

Q114 Chris Stephens: Thank you for that, Minister. One of the main issues in the news is PPE. Can you tell us a bit about how the Health and Safety Executive is enforcing its powers under the 1992 PPE legislation and the relationship, again, between HSE, employers and trade unions in ensuring that workers, not just in health and social care, have the appropriate personal protective equipment?

Mims Davies: Yes. The PPE regulations on equipment that protects the user against health and safety risks at work is covered through the 2002 COSH regs. The PPE regulations cover the equipment and the health workers are covered by the COSH regulations, if I have explained that correctly.

Also, the Health and Safety Executive has a market surveillance authority role when it comes to PPE, looking at the quality assurance role for items within the supply chain; anything coming into the NHS, for example. They are definitely working with the Cabinet Office. They have a dedicated unit sitting centrally and supporting the NHS so that people using PPE who are at risk of Covid-19 are best supported. Of course, in the wider workplace, we are using social distancing measures.

There is really important work on the HSE website. There are two particular reports that cover respirators and gowns, aprons and so on. They have been really extensive in their work on their guidance, taking an approach that is proportionate and pragmatic but, obviously, health and safety paramount, making sure that staff and employees are feeling supported through their advice. These are complex areas of particular types of work and the HSE is doing all that it can to explain to employers and employees what they need to do and what precautions they need to take.

There is really strong engagement across the whole of the Government—I mentioned the Cabinet Office, with BEIS—about safety at work as well and HSE is having a really strong role in that and of course in the devolved space where appropriate as well. I was on a call this week about the appropriate storage of particular chemicals because things cannot be



moved around, for example. The HSE is supporting particular sectors like that.

People should feel confident that the HSE's engagement will continue both with trade unions and with employers and very strongly across Government as we go through the challenge of this pandemic and how we look to work safely. It is going to be really key in how we look to go back to work safely however the lockdown moves forward. Along with Public Health England, the HSE's work within central Government and through its COBRA work as well, has been excellent.

For anybody who is unsure about working and what they should do, there is at gov.uk what you can and cannot do workwise. Then do take a look at the Health and Safety Executive advice. It is very wide-ranging.

Q115 Shaun Bailey: This is a really quick one. We have found there has been quite a bit of confusion around what is classed as essential work and particular confusion around the children of essential workers being able to access schools and then workers who cannot work from home.

There are two parts to my question, really. First, how do you feel in terms of the guidance that is issued? Are you happy that that guidance is pretty comprehensive in terms of what is classed as essential work?

Secondly, in terms of clearing up this confusion, how do you feel that the Department might be able to react, certainly from a comms piece, in terms of clarifying what essential is, clearing up that confusion and ensuring that people understand what it means? It seems like quite a large project, particularly from the Department's point of view, getting that clarity across to members of the public.

Mims Davies: The guidance of who can go to work is clear and it is on gov.uk what you can do and what you cannot do. What we are talking about here is not essential workers but key workers. Key workers are exemplified in the emergency legislation.

What is essential to support key workers to deliver and help the UK tick over? That starts to get complex, Shaun, and you are describing it very well. The supermarkets, the food industry, agriculture, farmers, logistics, everything is absolutely interlinked. That is where advice and support from the HSE has come in really strongly in terms of helping employers and employees to feel safe to go to work when it is appropriate and when they are key workers.

The Government advice is to only go to work if it is essential. Otherwise, you should be working at home. We have seen that exactly in the DWP with the amount of people we have working at home, the laptops we have deployed, the way that we have set up social distancing.

Yes, this is complicated, but most sectors with good advice and good engagement with Public Health England, with the HSE, with their sectors and with their staff are currently clear where they are. As we move into



HOUSE OF COMMONS

that recovery phase and out of the lockdown phase, we will have to be very clear with our comms. HSE is very aware of that. That is where the DWP, BEIS and cross-Government work will come into its own.

As MPs, we will all know from our own inboxes that people are really looking for rounded, grounded advice and we are all going to have to play a part in that.

Q116 Steve McCabe: I wanted to ask the Minister whether she feels that the guidance on pregnant women who are working in the health and care sector on the frontline is specifically clear enough for both employers and employees in those circumstances.

Mims Davies: Yes, Steve, you are right to bring up pregnancy and maternity issues as a whole. I believe that, going back to the point earlier about who is most affected by this downturn and this pandemic, we do not want anybody to be seen as expendable or easy, or to have women who are pregnant to have their maternity rights or anything affected. We are currently waiting for an update with BEIS. We are working on clarity for those rights to support women and make it very clear, for example, how the job retention scheme interacts with maternity rights and also around health and safety. The regulations that came in on 16 April give an entitlement to SSP for those shielding and of course those self-isolating. For example, our DWP colleagues who are expecting a baby or have certain health conditions or are over 70 must not attend work. They must be at home. If they want to work, they can, if they are not on maternity leave, for example, or have special paid leave.

This is an area that we need to have some more clarity on and remind employers about rights. I am clear for young people, disabled people and women having babies that we need to make this very clear to employers about how to protect them. That is probably the best thing about the job retention scheme: the fact that people can be furloughed and looked after. We need to keep that clarity of information up, very clearly. As we go into the recovery phase, I do not want to see younger people, pregnant people, people who have just had a baby or any of those people not seeing the opportunities that everyone else should have. We are monitoring that very strongly in the work we are doing and thinking about the future economic recovery and holding people to account that way.

Q117 Nigel Mills: Could I ask the ministerial team a question on whether all the work they have been doing here is perhaps based on a strategy that was put in place to deal with the crisis or have they had to make this up as they go along through the process?

Mims Davies: I am happy to start and quickly say that the engagement, response and business continuity plan that was put in place from the start of this being a pandemic and an emergency and the changes from the jobcentres and pivoting into supporting the most vulnerable people have been exceptional. Certainly for lots of us, this is unknown territory,



HOUSE OF COMMONS

but lots of the plans that the businesses and the Department have had in place for other reasons have become important. The communication daily that we have had on the impact of Covid-19 for all our sectors, led by Neil and JP for the Secretary of State, has been invaluable.

We have learned to try to get our comms right—and I know Justin has picked up on this really strongly and is working on it—to make sure that people know everything that we know and are doing and that we are able to help them. The huge comms objective across the whole of Government has been really difficult to manage about the amount of pivoting and work that has been going on. I have been very proud of what we are doing, and we have been fully informed and made decisions that we think will support the most vulnerable but, above all, will keep our staff safe, valued and supported to try to help those 1.5 million people, who have come into UC and into working with us, to be supported. We should be proud of that.

I will let other Ministers come in, but it has been an incredible effort and that has shown in the output.

John Paul Marks: To answer that specifically on the two elements that came together in our response, it was both our economic downturn plan that had a certain level of response around it in terms of how we deal with a sudden surge in new demand. Then we also had our pandemic flu business continuity plan. Those two things together were the key artefacts that we were able to pick up and immediately work with.

Neil referenced earlier the recovery phase that we are moving towards as we have weathered the storm of the initial business continuity. Neil can talk more about how he has now set up to organise for that planning and delivery. Certainly from an operational perspective, those two artefacts—business continuity, economic downturn—gave us a framework to then execute the initial response in the first few weeks.

Q118 **Nigel Mills:** That is great. That is what I was driving at. You had something in place that you could at least build on for what looks to be a unique crisis. I think we all accept that seems to have worked pretty well.

Going forward, without trying to tempt you into predicting when lockdowns and things might ease, do you have plans in place for how you are going to switch from firefighting and trying to process claims to starting to support what could be 1 million or 2 million more unemployed than we had at the start back into work and trying to build up capacity in your jobcentres to be work coaches again rather than benefit processers?

Mims Davies: JP can come in on this and I am sure Justin wants to come in as well. The fact that we were already working on a labour market strategy and we had that economic downturn plan has been really important. We are evolving the Find A Job website. There will be more updates next week that will help people to get job-ready during this downturn and will also help employers help people come back into work



HOUSE OF COMMONS

and give them some support. We have 1.7 million users already on that platform. As things change and we go into the recovery phase, we will be using that.

We are also working with our metro mayors, local authorities and LEPs, using ESF, using our digital support platforms and looking to pivot our contracted employment support programmes to moving into this area.

Nigel, you are absolutely right. As we move from 10,000 people who were in jobcentres and pivot them back to helping people face-to-face, we are going to have to do this differently. We are going to have a tired and very busy workforce for a number of weeks coming on stream as well and we are going to need to support them through that phase.

Also, in other areas, we are going to have to make sure that we do it safely with potentially continued social distancing and how we coax people into being job-ready and supporting them and perhaps not having those more traditional areas, maybe retail, where we could pivot people back into jobs. There are certainly sectors such as care, agriculture, logistics and delivery where there are vacancies.

I know there are other people who want to come in, but JP and I have already started doing some work on that. His team is already looking at that as we get past that main peak phase. This is very much in our minds for the next stage.

John Paul Marks: There are a couple of things I would add. We are recruiting rapidly to scale up the staffing of our jobcentres, consistent with social distancing and managing our space. The Minister for Employment and I spoke to all the senior managers on a call last week. I spoke to 3,000 colleagues yesterday through a national teleconference. There is no doubt that at the jobcentres everybody has worked incredibly hard but they are also very keen to get back to the record employment rate that we started this with only a month ago. When the time comes—and Neil is doing the strategic planning for the organisation—and Public Health England guidance allows it, we will be ready to go. The teams, although tired, will of course have had breaks to recover and are very keen to ensure that we rapidly get the employment rate back to where it should be. Neil might want to talk about that.

Neil Couling: I want to manage a few Committee expectations here. The complicating factor from a normal recession plan—and I have led various bits of the Department through a couple of recessions—is the social distancing. It constrains our ability to deploy recruits. We are going to have to use in the short term more digital means to help people into work and reach out across the sector to our colleagues who also provide help in this place to try to put some provision in place for individuals.

The task now is to disengage the emergency support we have put in and replace that with recruited staff and get the people who were doing important jobs before the pandemic back to doing those important jobs.



HOUSE OF COMMONS

The Minister for Disabled People was talking about the fewer numbers he has currently administering disability benefits. They have to go back to administering disability benefits.

This is a big task. It is as big as the UC roll-out, which is probably why the Department has given me the lead role to plan all this. We are doing things in very new ways. We have about 4,000 people now working remotely. At the start of the pandemic we had zero people working remotely. We will have 10,000 of those working remotely by the end of this month. There is change going on apace inside the Department to meet this challenge.

That is why I have probably annoyed a few Committee members by asking if we can keep the policy changes to an absolute minimum because it is doubly hard to deploy new policy change, change technology and change the way in which services are delivered, too. The safe way to do this is to keep your policy changes to the absolute minimum required. Keep your staffing and your training requirements to the smallest you possibly can, too, because you do not want to be training existing staff on new stuff and new staff on stuff they have never come across, too.

It is a big task. It will take us a little while. Please be a bit patient with us, Committee. I know you want us to go as fast as possible. JP and the Ministers want me to go as fast as possible. I know I am always the voice of doom and the one who wants to go slower, but, really, we have to get this right because we cannot drop the ball here. There will be potentially 4 million or 5 million people on Universal Credit by the time we have worked through this. That is a completely different order from the expectation we had of 3 million this April.

Q119 Nigel Mills: Will we need to have some kind of repeat of the Work Programme? Are there organisations out there with the capacity to provide that external support that you might need or have they all perhaps gone away themselves as they have not had their services required for a few years?

Justin Tomlinson: We already have the Health and Work Programme. Just before this broke, I had some very concentrated stakeholder engagement with the chief executives of them as we were looking at the future arrangements. We are going to have to do some serious thinking about what additional support we will need to provide through here, both because of the numbers and also because of the significant changing cohort of people who will now be relying on this sort of support. It is a very live discussion.

Chair: We are, in a few minutes, going to be unplugged. There are a couple more points I hope we can still cover. Neil Coyle wanted to make one.

Q120 Neil Coyle: This is a Minister Tomlinson question, I think. The Home Secretary told the House of Commons on 23 March that there was work



HOUSE OF COMMONS

taking place across Government, including the DWP, to look at the suspension of no recourse to public funds restrictions, which prevent people from accessing vital benefits. Can you give us an update on where those discussions are at with the Home Office, please?

Justin Tomlinson: I am not aware that they have made a change, although they are still eligible for mortgage holidays, protection for renters, the job retention scheme, the furloughing and the Self-Employed Income Support Scheme where applicable. Where it is contributory benefits and they have contributed into the system according to those rules, they would be eligible. I am afraid I do not have any other update further than that, Neil.

Q121 **Neil Coyle:** What about those who are under restrictions that prevent them from working despite having worked and made contributions for many years?

Justin Tomlinson: That is why I said "where applicable". For those who are in need of immediate support, that is part of the thinking behind the £500 million hardship funds that were distributed to local authorities to give discretion on a case-by-case basis for support and also potentially with the Discretionary Housing Payment.

To your primary question about whether there has been any change, I have not been updated to say that there has been.

Q122 **Neil Coyle:** There is an outstanding reply owed to our Chair and the Chair of the Home Affairs Committee from the Secretary of State, so I hope he can go into more detail there.

The Department has told councils to provide accommodation for people under these restrictions. That will be in direct contradiction to what the Department has told councils previously. Can councils really claim that funding?

Justin Tomlinson: I will have to write back to you on that. I am not familiar with that. I thought they could, but for certainty we will get you a definitive answer.

Q123 **Debbie Abrahams:** In relation to the current level of processing of UC claims, it is fantastic in terms of what has been achieved. Can we ensure that this level of processing will be achieved in the future?

Chair: We have two minutes before we are unplugged, Will.

Will Quince: Yes, the levels are relatively high at the moment. There are some reasons for that. We are diverting a lot of resource into the processing of claims. The Department's priority always has been and always will be paying as many people as possible on time and in full and that will continue going forward.

Q124 **Chair:** I am going to squeeze one final question in. Quite a lot of people in the crisis have applied for Universal Credit because they have been



HOUSE OF COMMONS

encouraged to do so. Some of them were already claiming working tax credits and have been surprised and in some cases dismayed to find that they lose their working tax credits and the transitional protection that they were benefiting from.

I wonder if there is a case, given the speed at which all this has happened, for people in that situation who want to go back to tax credits to be permitted to do so.

Will Quince: I thank you for the question and I understand the point that is being made and the concerns raised. But it is a change of circumstance and, under the current situation and rules, a change of circumstance does trigger a move to UC. In many cases people, because of the changes, will be better off under UC in any event, but there are no plans for people to be able to go back on to legacy benefits. In fact, the plan is to phase out legacy benefits and for Universal Credit to be the principal benefit that we operate as a Department. I am sorry to say that the plan is not to do so. I understand the point you are making, but there are no plans to do so. Neil, did you want to add anything to that?

Neil Couling: No.

Q125 **Chair:** Perhaps I could drop you a line about the particular case that has come across my constituency desk.

Will Quince: Yes, of course.

Chair: That brings our session to a conclusion. I thank everybody very much for this rather novel experience. It has worked very well. Thank you very much to the Ministers and officials for contributing so helpfully, as you all have done. Thank you to all the members for their patience and getting in all the points that we wanted to make.

In a few seconds we are going to be unplugged, but I hope to see everyone again soon. Thank you very much indeed.