House of Commons
Work and Pensions Committee

DWP’s response to the coronavirus outbreak: Government Response to the Committee’s First Report

First Special Report of Session 2019–21

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Work and Pensions Committee

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First Special Report


Appendix: Government Response

Introduction

The Government thanks the Work and Pensions Select Committee Report in to the DWP’s response to the coronavirus outbreak, particularly for acknowledging the “dedication and hard work” of DWP frontline staff, who have “successfully withstood enormous and unprecedented pressure”.

Since mid-March over 3.2m individuals have started a UC claim and the number of people on Universal Credit and searching for work has more than doubled. During this time DWP has provided a crucial safety net to record levels of claimants, ensuring our customers receive the support they need. Payment timeliness has remained high, meaning people get the support they need, when they need it.

The Government’s response to the Committee’s recommendations is set out below.

Universal Credit

1. *The Department should continue to allow claimants to use their Government Gateway accounts to verify their identity once the lockdown has ended. It should also use this as an opportunity to reflect on what other changes to the process are needed, with a particular focus on the needs of people who are vulnerable and digitally excluded.* (Paragraph 22)

2. *The Department should now set out how it intends to improve on, or at the very least maintain, these standards of payment timeliness in 'normal' times, with fewer staff in front line roles.* (Paragraph 23)

3. *We recommend that DWP assesses and reports on the impact of its temporary suspension of some debt repayments, including the total value of deductions that have been suspended and the impact on households who have been affected by this decision.* (Paragraph 33)

4. *We recommend that DWP review the Advances system and consider what changes are needed to make it more flexible, so that in times of crisis like these it can react quickly to meet claimants’ needs.* (Paragraph 34)

5. *We recommend that the Government urgently take steps to return to their pre-existing benefits, or the equivalent financial position, anyone who has inadvertently left themselves worse off by making a claim for Universal Credit during the coronavirus outbreak. It should also restore their entitlement to transitional protection for any future move to Universal Credit by managed migration.* (Paragraph 49).
The application process for Universal Credit has been designed to be as quick and easy as possible while balancing that ease with adequate security and verification requirements. If claimants need help making or managing their claim on-line, telephone and face-to-face support is available, including through Help to Claim, operated by Citizen's Advice on behalf of the Department.

The use of HMRC’s Government Gateway account to verify identity was already planned for September 2020 and its rollout was brought forward to April in light of the high number of volumes experienced. Initially, this allowed claimants who had a pre-existing verified identity with Gateway to use it as part of their Universal Credit claim and in early June the service was extended to allow claimants to register a new identity using Government Gateway as part of their claim. This is now a permanent offer for online verification. The team are now working to add further checks to increase the effectiveness of identity verification, as well as iterating the user journey so as to further increase the numbers of claimants able to use it.

Regarding timeliness, the rates achieved were higher than had been the case, reflecting some of the easements made. There will continue to be reasons why payment timeliness will never be 100% including the provision of necessary information by claimants required to complete and substantiate a claim. Regarding the suspension of debt payments, the easement was needed to help speed up processing recognising the manual interventions that had to be made and the redeployment of people to processing. As it was only ever considered to be temporary, no mechanism was established for reporting and the easement is no longer in place.

Regarding advances, the strength of the system showed it was very flexible in responding to claimants’ needs. Over 1 million advances have been paid to claimants since 16 March and people receive the money within a few days of requesting it. Taking an advance has the effect of spreading the annual amount received over 13 payments instead of 12. It was announced in the March Budget that from October 2021, claimants will be able to spread their payments over two years if they wish. Claimants can ask for repayments to be delayed for up to 3 months if they have particular financial constraints.

The Committee will understand that Universal Credit is designed to replace the legacy benefit system and as part of that transformation, it is a long-standing aspect of the policy deployment that an individual making a Universal Credit claim will legally cease any entitlement to legacy benefits and they cannot move back to legacy benefits. We have been working closely with HMRC to encourage people to check their eligibility before making a claim. This includes the introduction of a new check-through box before a UC claim can be submitted that reminds claimants to confirm their eligibility and advises them that legacy benefits will end, supported by advice and information about this on understandinguniversalcredit.gov.uk.

**Legacy benefits**

6. We recommend that, now that the initial surge of Universal Credit claims has mostly been handled, the Department should immediately seek to increase the rates of relevant legacy benefits by the equivalent amount. This increase should be backdated to April 2020, as recommended by the independent Social Security Advisory Committee. (Paragraph 62)
7. We recommend that the Department work to increase the speed with which changes can be made to legacy benefit rates. (Paragraph 63).

Jobseeker’s Allowance, Employment and Support Allowance and Income Support were increased by 1.7% in April 2020 as part of the annual up-rating exercise following the Government’s announcement to end the benefit freeze. DWP have no plans to increase these benefits further at this stage. These benefit rates will be reviewed as part of the up-rating exercise in the autumn for April 2021.

Claimants on legacy benefits may be able to make a claim for UC if they believe that they will be better off, however they should check their eligibility before applying to Universal Credit as legacy benefits will end when they submit their claim and they will not be able to return to them in the future.

Longer term, the Department recognises the need to be able to respond to events flexibly which is why we are investing in Universal Credit which is more agile than the systems that support legacy benefits.

People with no recourse to public funds

8. In these exceptional circumstances, the Government should immediately suspend NRPF conditions on public health grounds for the duration of the outbreak. Following the various ministerial commitments in the House, the Government should also set out exactly what measures it has taken so far to support people with NRPF, and include details of any ministerial implementation groups or other fora that have been set up to consider this issue. (Paragraph 81).

9. In line with the Prime Minister’s commitment at the Liaison Committee, the Government should collect and publish data on how many people have no recourse to public funds, including an estimate of how many people cannot access public funds because their immigration status is precarious. Given the evidence suggesting that people with NRPF face challenges in accessing accommodation, the Government should also publish an estimate of how many people in this group are homeless. (Paragraph 82).

10. The Government should publish or at least clarify existing guidance for local authorities on what support they can provide for people with NRPF, including an explicit statement of whether measures DWP’s such as the hardship fund are classed as public funds or not. The guidance should also state clearly whether local authorities are expected to use existing funding to support people with NRPF, or whether they can reclaim costs at a later date. (Paragraph 83).

11. We encourage the Government to make a renewed attempt to publicise this, so that people with NRPF who are facing loss of income are aware that they can access this vital support. (Paragraph 84).

The Home Office determines whether persons granted leave to enter or remain in the UK are eligible to access public funds. DWP has no legal powers to award taxpayer-funded benefits such as Universal Credit to non-UK nationals and family members whose Home Office immigration status specifies a no recourse to public funds condition. Guidance on the support available for persons granted leave with no recourse to public funds conditions, including from local authorities, is available on the Gov.uk website. This
includes the Coronavirus Job Retention Scheme, Coronavirus Self-employment Income Support Scheme, contributory Employment and Support Allowance and support from local authorities providing the relevant eligibility criteria is met. Individuals can apply to the Home Office for a change of conditions.

**The benefit cap**

12. We recommend that the Department publish the details of how it arrived at this assessment. (Paragraph 103)

13. We recommend that the Department carry out a full analysis of the numbers and characteristics of households which will be newly subject to the cap as a result of measures taken during the Coronavirus crisis. The Department should also assess the impact of the cap on the financial resilience and likelihood of hardship experienced by these claimants. (Paragraph 104)

14. We recommend that the Department take steps to ensure that the benefit cap, in combination with increase to benefit rates, does not leave households worse off than they were before the crisis. (Paragraph 106).

The Committee will be aware that Benefit Cap statistics are published quarterly. The most recent publication, released on 6 August 2020, shows the position at May 2020. ([https://www.gov.uk/government/collections/benefit-cap-statistics](https://www.gov.uk/government/collections/benefit-cap-statistics))

The Benefit Cap aims to reduce dependence on working age benefits and restores fairness between those receiving out-of-work benefits and taxpayers in employment. Claimants can also approach their Local Authority for local support such as applying for a Discretionary Housing Payment if they need additional help to meet rental costs.

**Health assessments for benefit claims**

15. We recommend that DWP communicate clearly to its own staff and to its contractors that they should take a proportionate and flexible approach to evidence, which demonstrates the appropriate level of trust in claimants, recognising how difficult it may be for claimants to access medical evidence and appropriate support. We recommend that the Department collaborates with the NHS and relevant professional bodies to ensure that healthcare staff can provide claimants with the evidence they need, while ensuring this does not put undue strain on medical professionals. (Paragraph 118)

16. We recommend that the Department investigate reports of significant delays faced by people whose claims began before the coronavirus outbreak, and publish its findings. It should also monitor and publish data on the time taken to process these claims, on an ongoing basis. (Paragraph 122).

17. We recommend that the Department assesses the impact that the coronavirus outbreak has had on the length of time taken by the Mandatory Reconsideration and appeals processes. In light of the evidence of increased delays, we recommend that the Department pay people who are appealing a PIP decision an assessment rate, as they do for ESA claimants. (Paragraph 134).
18. We encourage Ministers to continue to engage with support organisations to ensure that, in practice, people are not facing difficulties in having their PIP awards extended. (Paragraph 137).

19. We recommend that the Department investigate why the number of claims for PIP has fallen so dramatically, and take steps to identify and address any barriers to claiming. (Paragraph 141).

20. We recommend that the Department work with its contractors as a matter of urgency to offer audio-recording of assessments by default, subject to the claimant’s consent, no later than September 2020. (Paragraph 147).

21. We recommend that the Department set out, in response to this report, the steps it has taken—and any future plans it has, with dates by which it expects work to be complete—to ensure that its communications with disabled people take account of their communication needs. (Paragraph 152).

22. We recommend that DWP considers whether any of the changes made to the assessment process in response to coronavirus could usefully be made permanent, for some or all claimants. (Paragraph 156).

DWP swiftly implemented several changes to the way it delivers assessments for health and disability benefits, to ensure we continue to provide vital support to those who need it. This has included prioritising new claims and those reporting a change of circumstance as well as providing alternative channels for submitting medical evidence. We have provided claimants with information on the changes made due to Covid-19 in accessible formats, with further work to upgrade forms on GOV.UK already underway. This work will continue throughout 2020 and 2021 beginning with the top ten identified based on use and user need.

We will continue to engage regularly with stakeholders to keep them updated on changes being made during the Covid-19 outbreak and to gather feedback on DWP’s systems and services. It is clear some of the operational changes made during Covid-19 have been welcomed, so we will evaluate and learn from these to inform future changes to assessments. The upcoming health and disability Green Paper will provide further detail and seek views on future reform of health assessments.

From the onset of the Covid-19 outbreak, we have prioritised the processing of new claims and changes of circumstance in order to provide vital support to those who need it. The new claims line and alternative accessibility routes have remained fully operational, waiting times have remained within acceptable standards (less than 10 minutes at peak) and where necessary, additional time to return the PIP2 questionnaire has been provided.

In order to better understand the decrease in PIP new claim volumes, we have asked charities and other representative bodies for their insight. Initial feedback has pointed to the disruption of support services, due to staffing constraints during Covid-19. As a result, fewer people may have been signposted to PIP and those who might have applied may have been deterred by the lack of support in completing the application process from those organisations.
We continue to promote the messaging around new claims being processed. We issued a press notice on 6th July, picked up by two national newspapers, highlighting that all services remain open and encouraging people to make a claim if they believe they need support. We continue to work with our stakeholders to make them fully aware of this.

DWP publish data quarterly on customer journey times for ESA WCAs and PIP:1 The next update will be released in September and will cover clearances data up to the end of March 2020 for ESA WCAs and end of July 2020 for new PIP claimants.

We are currently developing an approach to implement audio recording of telephone PIP assessments and Work Capability Assessments.

**Special Rules for Terminal Illness**

23. **We recommend that the Department publish clear guidance for claims made under the Special Rules for Terminal Illness, including the fact that a DS1500 form is not required. It should also make clear, including on its own website, what alternative forms of evidence DWP would accept.** (Paragraph 163).

24. **We recommend that the Department publish the average processing times, by month, for claims made under the Special Rules for Terminal Illness.** (Paragraph 165).

In July 2019, the Department began a wide-ranging evaluation into how people nearing the end of their life are treated by the benefit system. The evaluation remains a priority for the Department and we expect to be able to provide an update on the outcome of the evaluation shortly. We have already started making improvements, including the development of new guidance on GOV.UK.

Robust processing times data is not currently readily available for all of the benefits for which Special Rules for Terminal Illness apply. In considering publication of new statistics, the Department applies the Code of Practice for Statistics and its three main concepts, or pillars: Trustworthiness, Quality and Value. We would need to be confident that these criteria are met before routinely publishing processing times statistics requested for all benefits. We do publish average clearance times for PIP claimants applying under Special Rules for Terminal Illness as part of our regular PIP official statistics releases.

**Self-employment**

25. **We recommend that, before the Minimum Income Floor is reintroduced, DWP should publish a review of the operation of the MIF and the impact it has had on self-employed Universal Credit claimants.** (Paragraph 187)

26. **We recommend that DWP enhance its communications to self-employed claimants, to ensure that self-employed people, and organisations giving advice, understand its policies clearly. The Department should also work closely with advice organisations to monitor how well self-employed people understand their entitlement to benefits and whether other problems of eligibility are arising. It should also work with other Government Departments,**

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and with the devolved administrations, to ensure that people who claimed Universal Credit in the early stages of the pandemic do not lose out from support schemes which were made available later and which they could not have foreseen. (Paragraph 188)

27. We recommend that the Government bring forward the Employment Bill for parliamentary scrutiny as soon as possible, to increase the legal protection available to people in low-paid work and the gig economy. (Paragraph 193).

We made urgent regulatory changes and developed detailed communications for work coaches and claimants to support the quick release of the new schemes and grants. Specifically, we changed guidance, operational instructions and information on gov.uk with links to wider government support in this area. This includes launching a new microsite within the ‘Understanding Universal Credit’ website to help people understand the eligibility criteria of different support schemes and benefits and the interaction between the different support offers. Since this new content was launched in early March, it has received over 2.2 million page views.

SEISS payments are treated as self-employed earnings and are taken into account when they are received. The SEISS payment is a single instalment covering three months’ worth of profits. In UC SEISS payments are treated as self-employed earnings and are taken into account when they are received, this means that we will not look to readjust previous months’ awards.

Other Covid grants and loans intended to support businesses losses during the pandemic and aid business recovery may be treated as capital and disregarded for 12 months.

DWP is continuing to work with HMT and other Government Departments to monitor the evolving economic and labour market situation to identify the most effective ways to help people stay in or close to work both now and in the future. As previously discussed with the Committee, the Department will look to publish evidence on the self-employed, including on those affected by the Minimum Income Floor.

At the Queen’s Speech, Government committed to bring forward an Employment Bill and the Department for Business, Energy & Industrial Strategy will bring forward detailed proposals on legislation in due course. The Minister for Employment is due to meet the lead Minister for the Bill in September.

Analysis and impact assessment

28. We recommend that the Government commission an independent analysis and assessment of the impact of the coronavirus outbreak on levels of poverty and household debt. This should include an assessment of the impact on:

- groups with protected characteristics under the Equality Act 2010;
- different regions of the UK;
- different employment statuses, including people on zero hours contracts and the self-employed.
This work should include an analysis of the impact of the measures that DWP has taken so far, and of the likely impact of its future plans. It should address not only the impact on individuals and households, but also on local authorities and the voluntary sector. (Paragraph 203)

29. We recommend that the Department monitor and publish data on job losses amongst people with protected characteristics, with a particular focus on disabled people. We also recommend that the Department launch a publicity campaign aimed at workers and employers, particularly emphasising how Access to Work can be used to support flexible working for disabled people. (Paragraph 204).

On 8th July 2020, HM Treasury published distributional analysis that assesses the impact of COVID-19 on incomes, comparing incomes of working households in May 2020 with February 2020. This analysis estimates the impact of government support when set against the impact of reduced earnings and unemployment.

The analysis shows that the Government’s interventions supported the working households on the lowest incomes the most (as a proportion of their February income) with those in the bottom 10% of the income distribution seeing no reduction in income. It also shows that government interventions since March have reduced the scale of losses for working households by up to two-thirds.

DWP does not hold management information on everyone who loses a job. However, we closely monitor the information regularly published by the ONS on employment. This includes quarterly information on the employment rate of people with disabilities and other protected characteristics.

**Recognising the contribution of DWP staff**

30. We recommend that DWP continue its efforts to increase the number of its staff, especially frontline staff, who can work remotely. It should also set out a plan for continuing to offer remote work as an option for staff even after the provision of face-to-face services can resume. (Paragraph 209).

31. We recommend that the Department, in response to this report, set out its plans for managing a return to offering face-to-face services while ensuring the safety of claimants and its own staff. (Paragraph 213).

32. We urge the Department to set out, in response to this report, its plans for recognising and rewarding the extraordinary work done by its staff. We note the request made by the PCS union for a pay increase. (Paragraph 216).

The Government is recruiting 13,500 additional work coaches, as a part of our wider economic recovery package. 4,500 of these new work coaches will be in position by October, with more following through to March 21.

The deployment of IT kit has enabled an increase in staff working from home. This is ongoing, and gives us flexibility in how we support out staff to work whilst ensuring that DWP offices are safe.
We are ensuring our staff and claimants remain safe as we re-open our jobcentres. Each site will have a risk assessment that specifically addresses its requirements for re-opening, ahead of doing so. This is in addition to existing risk assessments already in place. These new risk assessments are based on government and PHE guidance.

We have already put in place a range of temporary initiatives, including enhancing our overtime arrangements, and supporting staff who continue to travel into an office to attend work with time credits. Our recognition and reward policy for recognising exceptional contributions of individuals and teams remains available to all colleagues. In addition, our headline pay award for 2020 is 2.5%, the maximum allowed under the Civil Service pay guidance, which covers staff below the Senior Civil Service.

HSE

33. We recommend that HSE consider how it could improve the detail and transparency of its reporting, to send a clear message to the public that raising concerns with HSE does result in action against employers where necessary. (Paragraph 227)

34. We recommend that HSE sets, or is set by central government or DWP, specific targets for the number of spot checks it will complete to see whether people are being kept safe at work, and whether risk assessments are in place and are appropriate. The volume and results of these spot checks should be publicly available, and it should be made clear what risk considerations were used to determine the businesses subject to these checks. Clarity should also be provided on the role local authorities will play in spot checks, and the types of businesses on which local authorities can perform spot checks. (Paragraph 237).

35. We recommend that the Department for Work and Pensions and the Health and Safety Executive (HSE) clarify and publicise the role that the HSE will play in keeping workers safe during the pandemic, whether through employer spot checks, involvement in the risk assessment process, or any other responsibilities.

36. The Department and the HSE should then establish the level of funding HSE needs to implement this new and future inspection regimes, and make sure that it receives that funding. The level of future funding needed by HSE should be reassessed at regular intervals. (Paragraph 243).

37. We recommend that the Health and Safety Executive (HSE) quickly adopts a more proactive response to ensuring that the risks and deaths linked to workplace coronavirus exposure are properly recorded by care homes, NHS bodies, and other workplaces where there is a high risk of exposure to the virus. (Paragraph 251).

38. We also recommend that HSE and local authorities should consult and consider ways in which their relationship could be strengthened, and in particular how their more knowledge and information could be shared more consistently and comprehensively. (Paragraph 252)

HSE has been a lead player in the development of cross government Covid-19 secure guidance for businesses on the necessary safety measures they will need to adopt to stay both safe and productive. The government has provided an additional £14m until 31 March 2021 so that HSE can employ more staff, equipment and other resources for inspection activity to check compliance during the pandemic and activity levels are growing steadily.
As of the beginning of August, HSE has directly dealt with over 8000 concerns received from the public and workers and conducted 2418 spot check site visits where it has not been possible to achieve appropriate action by employers through other means. A large number of additional cases have been referred to Local Authorities (LAs), who are responsible in law for several types of workplaces, such as office and retail premises. HSE’s remit covers Great Britain and it has also interacted with the HSE for Northern Ireland.

HSE operates an effective risk based, intelligence led approach to its field interventions and the introduction of a new rigid numerical target system would hamper the effectiveness and flexibility of operations.

We are now sharing information on risks and good practice with LAs and HSE has also been involved in local public health led multi-agency teams in workplace and local area outbreaks (about 71 at end July at the beginning of August). For example, HSE was part of a multi-agency taskforce which supported businesses at risk in Leicester whilst the city has been in local lockdown.

HSE has provided regular updates to stakeholders and the public about its activities during the pandemic. This has included work with local and national media during local lockdowns using messages targeted at local communities. We have also provided information to employers on Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) reporting requirements via our Covid related webpages; in stakeholder engagement events; and through our helplines.

**Pensions**

39. We recommend that the Pensions Regulator communicate its expectations clearly to all employers, especially smaller businesses, which may find it harder to make use of the short-term flexibility. We will be monitoring the impact of the Pensions Regulator’s approach over the coming months, and in particular how well it is working for small businesses. (Paragraph 264)

40. We recommend that the Pensions Regulator consider whether employees who do opt-out during the pandemic should be helped to re-enrol earlier than would happen normally under auto-enrolment. (Paragraph 265)

The Pensions Regulator has set out its expectations of trustees, employers and administrators and has confirmed that it will take a proportionate and risk-based approach towards automatic enrolment compliance and enforcement decisions on pensions contributions (including late payments), in these challenging times. DWP has worked closely with the Regulator to ensure that employers have the information they need.

Automatic enrolment was designed to allow workers to opt-out where they believe that it does not make economic sense for them to save, but re-enrolment acts as a ‘stabiliser’ in the system to ensure that they are not lost to pension saving. DWP will be monitoring the impact of the pandemic on savers closely to understand whether the numbers of those opting-out is increasing. This includes working with the Regulator and with providers to understand how flexibility within the automatic enrolment framework is being used to help ensure that the savings habit established for millions of savers is not lost.
Employment Support

41. We reiterate our request that the Secretary of State share these plans with us so that we can scrutinise them. (Paragraph 298).

42. A range of groups will be affected differently by the coronavirus pandemic. We urge the Department to tailor its employment support to meet the differing needs of these groups, with a particular focus on: young people, people with caring responsibilities, older workers, disabled people and people previously on lower pay. (Paragraph 307).

43. We recommend that DWP outline its planned employment programmes, including any jobs guarantee, to deal with a possible major economic downturn caused by Covid-19 before the summer recess. (Paragraph 322).

44. We recommend that the DWP consider using the Flexible Support Fund to significantly upscale its provision and, in the short-term, provide additional guidance to Jobcentres on how the FSF can be most effectively be used. The Department should work with stakeholders to understand and address the barriers that have prevented effective use of the FSF in the recent past. (Paragraph 323).

45. We recommend that DWP publish a short strategy statement setting out how it intends to engage with business, the third-sector and local government to provide a coordinated employment response to an economic downturn. (Paragraph 324)

The Department has three plans – business continuity, pandemic flu and economic downturn - that have given us the framework to guide our response to Covid-19. The sensitivity of these plans means that it is standard practice across Government not to share these externally, including with the Committee. The Committee can be assured that the plans helped us with our overall priorities in response to a significant disruption, options on how to operate the department with different levels of staff absence and preparation for an increase in demand of our services beyond our normal resourcing levels.

As set out in the Government’s Plan for Jobs - a wide-ranging package of labour market support worth up to £30bn - includes a £150m increase to the Flexible Support Fund.

We have protected support for disabled people and those with complex needs through the Work and Health Programme and Intensive Personalised Employment Support. We are using the flexibilities within the European Social Fund 14–20 programme to ensure that geographically targeted employment, skills and social inclusion support for a wider range of people including those not claiming benefits, is available in the most vulnerable areas. We are also working with national and local partners to ensure that our efforts are aligned and have maximum impact where need is greatest.

DWP has actively engaged with business, the third-sector and wider stakeholders throughout the emergency response, and we continue to do so. In particular, we have engaged employer representative bodies and businesses across a range of sectors to understand how the labour market is changing and to identify opportunities to support and help people adapt. Ministers and senior officials have met with key business and employee representative organisations, including Confederation of British Industry, British Chambers of Commerce, Federation of Small Business, Chartered Institute of Personnel and Development and Trades Union Congress.
Ministers and officials are regularly meeting the Youth Employment Group which represent over 100 youth employment organisations including Youth Employment UK and the Princes Trust. These are helping to shape the Department’s policy to ensure young people receive the right support in both the short and long term. In every local area our partnership managers are working closely with local employers, skills providers and local enterprise partnerships to understand the opportunities and provide people with the right tailored support to take advantage of those local opportunities.