



# Work and Pensions Committee

House of Commons, London SW1A 0AA  
Tel 020 7219 8976 Email [workpencom@parliament.uk](mailto:workpencom@parliament.uk)

From the Chair

Rt Hon Dr Thérèse Coffey  
Secretary of State  
Department for Work and Pensions

7 September 2020

Dear Thérèse,

Thank you for the Government's response to the Committee's report on *DWP's response to the coronavirus outbreak*. The Committee has asked me to write to you to clarify some points not covered by your response.

## **Universal Credit**

The Committee recommended that, reflecting higher standards of payment timeliness during the outbreak, the Department should set out "how it intends to improve on, or at the very least maintain [standards] of payment timeliness in 'normal' times, with fewer staff in front line roles".

Your response did not directly address this recommendation. Instead, it explained why payment timeliness will always fall short of 100%, noting that timeliness is in part, dependent on the claimant supplying the correct information.

### **1. Please could you provide us with a response that more directly addresses our recommendation?**

We also recommended that the Department 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. Our report described the experiences of people who had mistakenly applied for UC and been left with no support from the benefits system at all.

On 4 May, answering the Right Honourable Member for North Shropshire, you told the House that you were "very aware" that "people, not realising some of the eligibility rules, have then made the application and are no longer effectively going to receive tax credits" and that you were looking "very carefully into what changes we could make to address that situation". Your response to our report, however, says that "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."

- 2. Should we understand from your response that you do not plan to take any action on this issue? If so, why has the careful look at possible changes concluded that there should be none?**

### **Benefit cap**

The Committee recommended that the Government should:

- publish the details of how it arrived at the conclusion that only a small number of households would be newly affected by the benefit cap;
- carry out a full analysis of the numbers and characteristics of the households newly affected;
- assess the impact of the cap on the financial resilience of those households;
- take steps to ensure that no one was left worse off by the interaction between the increase in some benefits and the benefit cap. We gave in our report the example of a capped household whose income from Universal Credit decreased, because the increase in the standard allowance increased the level at which the cap on deductions is set.

Your response to our report addressed none of these points. Instead, it referred us to statistics published on 6 August 2020.

- 3. Please will you provide us with a response which addresses directly the Committee's recommendations on this subject?**
- 4. The statistics published on 6 August show that, between February and May 2020, 84,000 households were newly capped. Is it your view that this is a small number of claimants? If not, might you explain why the numbers capped are so much larger than the Department anticipated?**
- 5. What is the Department doing to respond to this substantial increase in the number of households subject to the benefit cap? Will you, for example, increase the funding given to local authorities for Discretionary Housing Payments?**

### **Health assessments for benefits**

Our report recommended that the Department investigate reports of significant delays faced by people whose claims began before the coronavirus outbreak, and publish its findings. Your response explains that quarterly data for ESA and PIP claims will be published in September, but does not address the reports we heard—from a range of respected support organisations working directly with claimants—of people facing delays of many months.

We also recommended that, while waiting for the outcome of an appeal, PIP claimants should be paid an assessment rate, as ESA claimants are.

- 6. Please will you provide us with a response which addresses directly the Committee's recommendations on these subjects? In particular, do you have any comment to make about the reports of individual claimants facing delays of many months?**
- 7. Why is the assessment rate paid to ESA claimants who are appealing, but not to PIP claimants?**

#### *Number of applicants for PIP*

We were grateful for your response to our recommendation 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. Your response explains that initial feedback suggests that the disruption of support services may be one factor, because "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."

- 8. Was the Department aware before the pandemic that so many people who are eligible for PIP need the help of support organisations in order to be made aware of PIP and successfully make a claim?**
- 9. In your view, should DWP itself be doing more to promote PIP and to support people to make claims for it—as it does for Universal Credit?**

#### **Special Rules for Terminal Illness**

We made recommendations on improving the guidance available to claimants and the people that support them about the requirements for claiming under SRTI, and on publishing processing time data for benefits claimed under the SRTI.

Your response said that the Department's "wide-ranging evaluation into how people nearing the end of their life are treated by the benefit system", started in June 2019, is a "priority" for the Department. The response also said that the Department cannot provide robust data on processing times for all of the benefits covered by the SRTI.

- 10. Can you give us any indication of when the Department's evaluation of the SRTI will be complete?**
- 11. Given the importance of prompt payments for people who are nearing the end of their life, how do you plan to evaluate how they are treated by the benefit system without having robust data about payment processing times?**

## Analysis and evaluation

We recommended 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.

Your response refers us to HM Treasury's distributional analysis of the impact of COVID-19 on working household incomes, which does not look at the different factors listed above.

**12. Is it your view that the analysis we have recommended is not needed? If so, it would be helpful to have a clear explanation of how you reached that view.**

**13. As the Government Department responsible for "understanding and dealing with the causes of poverty", what steps is the Department taking to understand the impact of COVID-19 on levels of poverty?**

## Self-employment

We recommended that *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.*

Your response says that "the Department will look to publish evidence on the self-employed, including on those affected by the Minimum Income Floor." In response to a report from our predecessor Committee, the Department explained that it would not be possible to undertake an evaluation "until there are sufficient numbers of self-employed people claiming UC, who are subject to the MIF". It said that a commissioned research report would be available in autumn 2019 at the earliest.

**14. Will you review the evidence about the operation of the Minimum Income Floor before it is reintroduced in November?**

**15. When do you expect to publish analysis of the impact of the Minimum Income Floor on self-employed people claiming Universal Credit?**

**16. Are there now sufficient numbers of self-employed claimants subject to the MIF to allow the Department to carry out the necessary analysis?**

### **The Health and Safety Executive**

The Committee recommended that HSE consider how it could improve the transparency and frequency of its reporting, to reassure the public that reporting concerns to HSE results in action. In particular, it recommended frequent publication of data on reports made to HSE, spot checks undertaken, and the outcome of those checks.

The response offers some data on the number of reports and resulting spot checks in August 2020. It offers some information on how HSE has been communicating with employers and the public during the pandemic. Neither of these responses addresses fully the Committee's recommendation.

We also recommended that HSE's budget be reassessed to ensure that it is sufficient to cover this new approach. Your response told us about additional funding up to 2021. It did not comment on funding beyond this, or on how much funding a more proactive and transparent approach, as per our recommendation, might cost.

**17. Please could you provide a response that addresses specifically the Committee's recommendation of more consistent, frequent reporting on coronavirus related enforcement by HSE? If it is not possible to publish frequent data about HSE activity during the pandemic, it would be helpful to understand why this is the case, including details of any cost implications.**

**18. Might you please comment on our recommendation about the funding of HSE?**

### **Employment Support**

The Committee recommended that the Department share its economic downturn plan and pandemic flu plan with us. We also recommended that the Department publish a short-term strategy statement on how it will deal with businesses, the third sector and local government to ensure a co-ordinated response. Your response lists organisations and sectors the Department is meeting, but does not clarify whether or not the Department has a strategy for a coordinated employment response to an economic downturn.

**19. Does the Department have a strategy for coordinating the employment response to an economic downturn? Will any plans be shared with the Committee for public scrutiny?**

We would be grateful for a response by **Wednesday 23 September**.

Yours sincerely,

A handwritten signature in black ink that reads "Stephen Timms". The signature is written in a cursive style with a horizontal line above the name.

**Rt Hon Stephen Timms MP**  
Chair, Work and Pensions Committee