MEMORANDUM TO THE ECONOMIC AFFAIRS COMMITTEE
GOVERNMENT RESPONSE TO THE ECONOMIC AFFAIRS COMMITTEE REPORT ON THE ECONOMICS OF UNIVERSAL CREDIT, SECOND REPORT OF SESSION 2020/21.

The Government thanks the Committee for its second report of session 2020/21 and notes its recommendations.

The Government is surprised by several of the Committee's observations with regard to Universal Credit (UC). In particular, in contrast to the title of the report, the effectiveness of UC as a comprehensive benefits system has been admirably demonstrated in response to the pandemic. The Government takes the support and financial security of vulnerable people extremely seriously, as evidenced by our package of temporary and permanent welfare measures, estimated by the Office for Budget Responsibility to be around £9.3 billion of additional support through the welfare system in 2020/21.

The remainder of this memorandum will address and respond to the particular recommendations made in the committee's report.

The benefits system should not cause claimants significant shortfalls in income. The DWP's whole-month approach to changes in circumstances does not reflect the lives of many low-income households, some of whom undergo frequent, short-term changes of circumstances. Universal Credit needs to be flexible enough to adapt to these circumstances. The DWP must adapt the design of the whole-month approach to changes in circumstances. (para 41)

Claimants would have greater certainty and security of income if awards were fixed at the same level for at least three months. This may encourage claimants to increase the number of hours that they work as they would not face an immediate fall in benefit. We believe that this can be done using the current process of assessment but using it to reassess levels of award once every three months only. We recommend that the DWP assess this proposal, taking account of how this would work for out-of-work claimants as well as those in work. (para 47)

The UC assessment period and payment structure are fundamental parts of the UC design and is intended to mirror the world of work. This has been inherent in UC since its launch and, consequently, is not possible to adapt the existing structure without a complete overhaul of the system. Change of Circumstance advances are available to claimants who experience a sudden change of circumstance during an Assessment Period, and money is often made available within a matter of just a few days. Acknowledging the need to avoid payment shortfalls, in 2021 we will be increasing the time over which an advance can be repaid to from 12 to 24 months.

UC is assessed and paid monthly, in line with the manner in which the majority of the UK workforce is paid. Around 75% of people are paid monthly, a proportion which has grown steadily over time as the economy shifts away from weekly or fortnightly paid jobs This is also how costs such as rent and other bills are usually accounted for.

The committee recommends effectively locking in payment levels with a quarterly review. This is one of the key failures in the design of the Labour Government's tax credits, the impact of which is still felt when claimants move from tax credits to UC and carry debts with them. These debts are often unknown debts which may only materialise when an individual makes a claim to UC. Monthly payment of benefit helps prepare households to budget on a monthly basis and eases the transition into monthly paid work. It also makes it easier for households to take advantage of cheaper tariffs for essential costs such as utility bills. By changing to a 3 month fixed rate system, we are likely to repeatedly pay claimants an inaccurate amount, raising the incidence of over and underpayments, increasing the administrative cost of UC to the taxpayer and potentially resulting in greater shifts for household income. As such, the Department will not be taking this recommendation forward.

Paying Universal Credit awards on a monthly basis is a policy choice; it is not an integral part of the design. However, this approach is not working for many claimants who are forced to fit the rigid requirements of the system. We believe instead that the system should accommodate the circumstances of a wide range of people. At the beginning of their claim all claimants should be allowed to choose whether to have their Universal Credit awards paid monthly or twice monthly. It

should be possible for claimants to review this decision on an ongoing basis with their work coach. (para 54)

Work coaches and case managers decide if a More Frequent Payment Alternative Payment Arrangement (APA) is appropriate following discussions with the claimant. These are put in place on a case by case basis. However, many claimants are capable of managing their own finances on a monthly basis, and indeed wish to do so which is why it is not appropriate to provide an APA by default. As set out above, monthly payment of benefit helps prepare households to budget on a monthly basis and eases the transition into monthly paid work. Supporting people back into employment, and in doing so preparing them for the world of work is a fundamental tenet of UC and, therefore, we will not be introducing this choice by default.

The current practice of paying Universal Credit into one account does not reflect reality for many families today, who are used to both partners having their own income. This is important both for reducing the risks of financial coercion and domestic abuse more widely and for encouraging more balanced and equal relationships. The Department should review the option of separate payments by default, drawing on the current review in Scotland. (para 87)

We remain committed to providing tailored support to all claimants, including through split payments where appropriate. However, we believe that most couples can and want to manage their finances jointly which is why UC is a household benefit. Claims are paid to women in the majority of cases and we will continue to explore how we can ensure money is paid to the main carer. We recognise that there may be circumstances in which split payments are appropriate and where that is the case, we will continue to put them in place. However, the Department does not agree that this requires a broader review.

The design of the housing element has led to increased rent arrears and left many claimants feeling vulnerable and at risk of eviction from their home. All claimants should be given the choice, at the beginning of their claim and not when significant arrears have accrued, of having an Alternative Payment Arrangement. If implemented alongside our recommendation to introduce a two-week nonrepayable grant at the beginning of a claim, this would help prevent unmanageable rent arrears and provide greater security of housing for all claimants. (para 101)

Managed Payments to Landlords are already available on request to any claimant from the start of, or during their claim. Such arrangements can also be requested by the landlord or DWP staff, where it is clear such an arrangement is necessary or would be beneficial. As such, the Department believes that sufficient provision is already in place to achieve the outcomes the committee has suggested. We have worked to facilitate such arrangements through the new Apply for a Direct Rent Payment site, a new online service that facilitates more streamlined interaction between the private rented sector and UC by enabling the direct payment of a claimants' rent. This replaced a previously time-intensive clerical process and enables direct payments, where appropriate, to be implemented more easily. The Department also works closely with social landlords to improve their understanding of UC processes and encourage monthly tenancies as standard. It should also be noted that payable rent can be higher than the housing element calculated and this will vary by claimant.

The accuracy of Universal Credit depends on timely and accurate real time information. Some claimants have been unfairly penalised because of reporting errors and mismatches in the data. This is beyond the control of claimants and often they will be unaware of the issue. Poor-quality real time information creates income insecurity for claimants, making it harder for them to budget and manage their income. While the error rate is low it has nevertheless affected tens of thousands of people. The DWP must work swiftly with HMRC to reduce the real time information error rate. (para 61)

The Department recognises the issues that claimants can face and this is why we work closely with HMRC and will continue to do so. We have found that it is largely due to employers making errors that causes these issues. The Real Time Information system is working well with over 99% of individual employment records now being reported in real time. Any claimant can query their RTI information and there are established channels between DWP and HMRC to investigate any risks associated with RTI data and jointly deal with disputes when they arise.

The DWP should introduce a non-repayable, two-week initial grant to all claimants. For claimants moving from certain legacy benefits to Universal Credit, this grant could replace the existing system of run-ons. This would provide some security to claimants and would make repayments of advances more manageable. We were told that this would cost the DWP between £1 billion and £2 billion per

year. To reduce the risk of fraud, the DWP should initially administer the grant as an advance payment. The two-week payment should then be written off after two months once the DWP knows that the claim is genuine. (para 73)

Support is available for new claimants in need and they can access up to 100% of their first estimated payment urgently. This is repaid gradually from their awards over 12 months, and from October 2021 these can be repaid over 24 months.

An advance is a payment of UC and the consequence being that a claimant will receive thirteen payments in a year rather than twelve. In 2021, we will give claimants the option to have twenty-five payments over twenty-four months. So far in 2020, around 5 in 10 new claimant's requested an advance, the vast majority of which were issued within 72 hours. This ability to deliver money at pace to individuals is unmatched by other government schemes and was a key element of the pandemic response.

Not all new claimants require nor request an upfront payment. Providing this by default to all would call into question the balance between support for those on benefits and the taxpayer as in effect the suggested two-week initial grant would simply be an extra sum of money to the calculated UC amount. Furthermore, this could prove a significant fraud risk as any attempts to retrieve monies from fraudulent claims for the grant after two months would be difficult. Consequently, the Government rejects this recommendation.

Recognising the differences between DWP legacy benefit payment schedules and UC resulting from transition, the Government has introduced another bridging payment. We introduced new 'run ons' for DWP legacy benefits from July 2020 to ease the transition from DWP legacy benefits to UC. These claimants will see a one-off gain of approximately £200 during their first assessment period. This forms part of additional government transition support worth nearly £1bn by 2023/24.

The social security system should not support unproductive and unprofitable businesses in the long-term. However, treating disparate forms of self-employment similarly creates inequalities in the support that they receive. Self-employed claimants who have fluctuating earnings, seasonal patterns, and varying costs and expenses suffer disproportionately from the minimum income floor. The DWP must address this problem to ensure adequate and fair support for those in disparate forms of self-employment. When the temporary suspension of the minimum income floor is lifted these problems will be magnified by the arrival of many more self-employed claimants as a result of the COVID-19 pandemic. Given that the minimum income floor is currently suspended in response to the COVID-19 pandemic, the DWP should measure the impact of its suspension on self-employed claimants and publish the results. (para 94/95)

Recognising the challenges faced by self-employed claimants during this difficult period, the Department has temporarily suspended the Minimum Income Floor (MIF) to provide them additional support. There are approximately 150,000 self-employed people claiming UC (3% of overall self-employed population) and all of these claimants, as well as any new claimants that are affected by COVID-19, will have been eligible for the temporary MIF relaxation.

This has formed just one element of support for the self-employed that this Government has put in place in response to the pandemic. To date the Self-Employed Income Support Scheme has received over £7.5 billion of claims from over 2.5 million claimants.

As with all our policy, we keep it under review and will consider carefully any changes that may be needed.

We recommend that the Department remove childcare support from Universal Credit entirely. This would require exploring options for a separate benefit and for a range of measures to support the supply side–more free hours of care, subsidies for providers, and reduced fees for parents with low incomes. This new benefit could still be delivered via a digital platform. (para 108)

The UC childcare offer is designed to work alongside the free childcare offer in England for all three and four year olds and disadvantaged two year olds and is already significantly more generous than the legacy benefit system it replaces. UC reimburses up to 85% of childcare costs, compared to 70% in legacy benefits and can be claimed up to a month before starting a job.

UC is a unitary concept made up of different elements. With regard to childcare costs specifically, attempting to extract or ring-fence individual components from the calculation would necessitate the creation of rules of withdrawal in the new childcare benefit and re-introduce overlapping tapers that existed in the pre-UC system. This would represent a step backwards and would add complexity both into UC and also into the proposed childcare benefit.

Eligible claimants starting work can also receive help with the first month of childcare costs through the Flexible Support Fund. This is a non-repayable discretionary grant that sits outside of UC, which can be used to help parents to pay childcare deposits and upfront costs.

For these reasons, we intend to keep childcare support integrated as part of UC.

The Government undertook the most significant social security reform for a generation at the same time as making substantial cuts to public spending, including wide ranging cuts to the social security system, in order to reduce the deficit. Cuts to Universal Credit have been partially restored but they, along with problems of design and implementation, have had lasting consequences by increasing poverty and hardship among many claimants. Universal Credit's promise of increased generosity now rests on higher takeup by claimants. The reputation of Universal Credit is poor and higher take-up is not guaranteed. The DWP should start publishing take-up estimates in order to assess how successful Universal Credit has been in achieving the increased take-up that is assumed to flow from simplification. (para 116)

The Department does not publish estimates of UC take-up rates. The benefit of providing such additional reporting would not outweigh the significant cost and resource challenges required to establish where UC was claimed in place of another benefit. The Department is committed to transparency regarding the UC caseload and statistics covering several demographics of this group are published monthly.

The recent increase in the standard allowance is welcome considering the evidence we have received about the adequacy of Universal Credit, which said that it was often not enough income to live on. Universal Credit must provide claimants with an adequate income and act as a safety net for avoiding extreme poverty and hardship. We believe that the increase shows the original rate was not adequate. The Department has, to date, said that this is only a temporary measure. The Government should commit to making the increase in the standard allowance permanent. To avoid undue hardship and poverty it should also examine the relative levels of benefits for couples and those with children and investigate whether there are other claimant groups who do not receive adequate income. (para 129)

The Government introduced a package of temporary welfare measures worth around £9.3 billion this year to help with the financial consequences of the COVID-19 pandemic. As the committee would expect, the Department continues to have active discussions on future welfare support with HM Treasury.

The DWP should introduce an equivalent to the Severe Disability Premium. This should be a self-care element for any disabled person who does not have someone assisting them and claiming the carer element of Universal Credit. We were told that this would cost the DWP around £1 billion per year. (para 140)

UC does not replicate the disability premiums in legacy benefits and removes the complexity of dealing with the different rules for seven different disability additions. The money was recycled into a higher rate addition for the most severely disabled with over a million claimants likely to see an increase in their awards.

The Government has introduced support for existing and former SDP recipients through the SDP Gateway and SDP transitional payments. The SDP gateway was introduced in January 2019 to stop the flow of those moving to UC following a change of circumstances and losing out. This will be removed from January 2021 in response to a court Judgment.

The SDP transitional payments were legislated for and implemented in July 2019. Claimants can get a lump sum and ongoing monthly payments covering their lost SDP. At Spring budget, we estimated that by 2024/25, approximately 45,000 claimants will benefit from the package of support provided by the SDP gateway and the SDP transitional payments, worth an estimated £600m over the next six years.

Universal Credit was designed as a working-age benefit; it was not designed with pensioners in mind. While we understand the trade-off which the DWP has had to consider in relation to mixed-age couples, we feel that on balance it has opted for the wrong approach. Including mixed-age couples in Universal Credit has meant that they may lose out financially. The partner who is eligible for a state

age pension is treated unfairly compared with single pensioners and couples of state-pension age. The DWP should revert to the previous system in which mixed-age couples were treated as state-pension age couples for means-tested benefits. (para 147)

The Government does not consider it right that different conditions should apply to people below State Pension age based on the age of their partner. The existing policy removes the perverse incentives in the previous system for the working age partner in a mixed age couple to leave the labour market early, and ensures the same incentives to work apply to the younger partner as apply to other people of the same age. The younger partner gets the personalised support in UC provided by Work Coaches to help them find and progress in work.

Those unable to work due to ill-health or caring responsibilities will have access to additional financial support. Unlike UC, Pension Credit is intended to provide long term support for pensioner households who are no longer economically active due to age. It is not intended to support people of working age.

The Government should write off historical tax credit debt owed by Universal Credit claimants. We believe that the £6 billion of tax credit debt should be treated as a sunk cost—it is highly unlikely to be repaid in full, and the Government should not jeopardise the financial security of claimants in pursuit of it. (para 160)

The Department acknowledges the impact on claimants moving from one benefit to another can bring and considers that more should be done to manage under and overpayments while in tax credits. We will continue our discussions across Government on how to better manage this.

We recognise that the benefit cap was intended to increase the financial incentive to move into paid work. This is more likely to be effective if there is a buoyant labour market than if there is high unemployment and few job vacancies. In light of the unfolding economic crisis we recommend that the Government review the level of the benefit cap and its effect on hardship and poverty. (para 167)

The Department acknowledges this recommendation and notes that many new claimants have become capped owing to the increased generosity of temporary welfare measures put in place to support people through the coronavirus pandemic. The Benefit Cap restores fairness between those receiving out-of-work benefits and taxpayers. There is a statutory duty to review the levels of the cap at least once in each Parliament (unless that Parliament is truncated) and this will happen at an appropriate time.

The two-child limit is unfair. It penalises large families and can put the health and wellbeing of children in jeopardy. We heard that ending the limit could protect up to 300,000 children from poverty. We urge the Government to remove the two-child limit and consider introducing tapered awards for families with more than two children. (para 173)

The Department does not accept this recommendation. The Government maintains that it is proportionate to provide support through UC for a maximum of two children. In 2019, of all families with dependent children, 85% had a maximum of two in their family. For lone parent families, this was 86%. We recognise, however, that some claimants are not able to make the same choices about the number of children in their family, which is why exceptions have been put in place to protect certain groups.

Child Benefit continues to be paid for all children, and support with childcare costs is significantly more generous on UC when compared to the legacy benefit system.

Given the depth of the recession that is anticipated following the COVID-19 pandemic, getting people into work should be the DWP's priority. We therefore recommend revisiting both the structure and the level of the work allowances. All claimants should have a work allowance, at a higher rate than currently, to allow them to keep more of their award as they move into work, including short-term or low-hours employment. Figures from the Institute for Fiscal Studies suggest that reintroducing a work allowance for all groups, and increasing it by £50 per month, would cost the DWP £1.3 billion per year. (para 189)

Work Allowances provide an additional work incentive for some claimants and support to people moving into and progressing in work. Those not entitled to a work allowance will still benefit from the typically more generous UC taper rate which ensures that their entitlement reduces gradually as their earnings increase.

The level of work allowances is regularly reviewed and increases since 2019 will result in families keeping up to an extra £630 per year of what they earn.

The DWP should also consider a reduction in the taper rate to reduce the unfairness that is inherent in the very high marginal effective tax rates that some of the poorest in our society face. (para 190)

The Department recognises the incentives of the taper rate, especially compared to legacy benefits. While the Department continues to keep the taper rate under review, the Government has already made significant investment in this area by reducing the taper rate from 65% to 63%. This is in contrast to the legacy system which applied effective taper rates of over 90% in some cases. The Government rightly needs to balance how it uses taxpayer money in the welfare system and while it understands the sentiment of the committee in this regard, it cannot accept this recommendation.

Conditionality must be adapted so that it is able to accommodate dynamically changing labour market conditions, including at the local level. The DWP should, with HM Treasury, the Department for Business, Energy and Industrial Strategy and other relevant departments, review how conditionality should be reconstructed to support millions of people back into work in an environment in which there are far fewer vacancies and in which large sectors of the economy such as non-food retail, hospitality and tourism—which are most likely to employ young people—remain depressed or do not recover fully. The DWP should ramp up and improve the provision of training that is available to claimants. (para 202)

We want to provide individuals with the help and support they need to find work in what are clearly challenging circumstances. DWP Work Coaches can refer claimants to a range of training opportunities if a lack of skills is holding them back from finding employment or better-paid work. If, however, it is identified that there is a gap in the training available this can be procured by DWP itself. The requirements of each claimant are reviewed regularly with empowered work coaches to ensure they are fair and achievable as the Department is aware circumstances can change over time. Work coaches continue to be best placed to tailor claimant commitments and the Department, therefore, does not accept this recommendation.

In England, unemployed benefit claimants can apply for fully-funded training through the Further Education system. In academic year 2019/20, DfE made available £1.5bn to support participation in adult further education in England through the Adult Education Budget. Jobcentres work with local colleges and training providers to ensure that suitable courses are available for those seeking to improve their employability.

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. The Plan for Jobs was launched in the summer and a variety of programmes are already underway to help people back into work.

We agree with the DWP's aim to help people become independent of means-tested social security benefits. We welcome the DWP's acknowledgment that additional support for claimants and working with employers is a better way to achieve it than expanding conditionality. We recommend that the DWP offer future in-work claimants enhanced coaching and training on a voluntary basis. It should end in-work conditionality requirements and the threat of sanctions from existing in-work claimants. (para 242)

We continue to invest in building the evidence around in work progression. Our Randomised Controlled Trial tested the potential role of conditionality in supporting people to progress, but we are looking at a broad range of approaches, including voluntary support, embedding progression expertise in job centres, and the role employers and local actors can play. Baroness Ruby McGregor Smith has also been asked by the Secretary of State to lead a Progression Commission to support this work. There are currently no mandatory requirements for those in the in-work groups in UC.

Those working very few hours and earning less than the 'Administrative Earnings Threshold' – £343.00 per month for an individual and £549.00 per month for a household - are treated as out of work for the purposes of employment support, so *are* subject to mandatory requirements, in the same way as they would have been in Jobseeker's Allowance. This is important to ensure that those on a low income are supported to increase earnings to their fullest potential. As such, the Department does not agree with this recommendation as it is one of the key, transformational elements of UC that it not only supports people into work, but also supports people who are in work to increase their earnings.

The Claimant Commitment can be a useful means of setting out the responsibilities and entitlements which are part of benefit entitlement. However, Claimant Commitments over-emphasise obligations and penalties. Claimant Commitments should be rebalanced, with greater emphasis on the level and type of support that claimants can expect to receive in order to help them to find work or to progress. In most cases claimants will know what support they would benefit from; therefore, they should have an equal role in setting expectations. A more balanced combination of responsibilities and entitlements would better reflect the relationship between employer and employee that the DWP wishes to emulate and would demonstrate to claimants that they are an active participant in their claimant journey.

Claimants can be at their most vulnerable and desperate when making their first benefit claim. This is not an appropriate time for people to make important commitments or to decide exactly what support they will require. Claimants should be able to agree to a Claimant Commitment in two stages in order to provide time to consider what support, coaching, training or other intervention from the DWP would be of use, and to consider whether obligations discussed in the first meeting are appropriate. (para 213)

Accepting a Claimant Commitment (CC) is a basic condition of entitlement to UC covered in Section 4(1) (e) of the Welfare Reform Act 2012. UC Regulations 15 and 16 cover date, method and exceptions to accepting a CC. The Department firmly believes that the best way to support claimants is through empowered work coaches who engage proactively with claimants to help them to identify the options they need to help to build their skills, increase their confidence and return to employment.

The CC is a tool for setting out and getting the claimant to take ownership of what they need to do in return for receiving UC. In this sense, conditionality is indeed adapted “dynamically” with the claimant to ensure the requirements for receiving support are appropriate and proportionate to the claimant’s current situation. The CC is a key enabler to support claimants into work or to increase their earnings. For staff, it should be an enabler that supports robust setting and monitoring of work-related activities and fair decision making in relation to sanctions. The CC is not a fixed document and will be continually reviewed with the claimant as appropriate to ensure it reflects their current situation. As such, the Department will not be taking this recommendation forward.

We were concerned to hear that such harsh sanctions can be applied to claimants so easily, particularly when a claimant may already be subject to high deductions to pay back advances and other debts. Any reasonable system, such as the justice system, would not impose fines which can result in extreme poverty for such minor offences. A fairer system should take far greater care to assess the effect of sanctions on those to which they apply. Before imposing a sanction, we recommend that the DWP conduct a hardship assessment before deciding on the level of sanction.

The UK has some of the most punitive sanctions in the world but the evidence that sanctions achieve positive behavioural change and lead to better employment and earnings outcomes is mixed. Removing people’s main source of support for extended periods risks pushing them further into extreme poverty, indebtedness and reliance on foodbanks. We welcome the reduction in the DWP’s use of sanctions since 2017 and reducing the maximum sanctions length from six months to three. The DWP should expedite its work on introducing a written warning system before applying a sanction. This would ensure sanctions are a last resort.

We are disappointed that the DWP did not publish its evaluation of the efficacy of sanctions before it lifted the suspension on the use of sanctions. The evaluation should be published with urgency and should set out the DWP’s understanding of how the current length and level of sanctions facilitate positive behaviour change from claimants and how sanctions lead to sustainable work outcomes. (para 222-224)

Sanctions can be a useful way to encourage claimants to comply with reasonable and achievable requirements, developed and agreed between the Work Coach and the claimant to prepare for and/or move into work. Claimants are told about sanctions when they agree their initial Claimant Commitment and whenever new requirements are agreed. If the amount by which an award was reduced was lower than the current rate, or tailored to the claimant’s affordability, the sanction could become ineffective as a deterrent. The Department does not, therefore, agree with this recommendation.

The Department has already committed to look at processes to give claimants a written warning, instead of a sanction, for a first sanctionable failure to attend a Work-Search Review and to undertake a series of small-scale Proof of Concepts of this warning system. The first Proof of Concept has now been completed and the Department is considering next steps.

The Department acknowledges the committee's recommendation on publishing the evaluation of the efficacy of sanctions. The Department has conducted analysis already in relation to conditionality; the 2015 UC Extended Gateway Evaluation found that 72% of claimants agreed that the potential for sanctions meant they were more likely to conduct work search. Work is also underway to conduct some new analysis on conditionality in response to the Work and Pensions Committee's report on benefit sanctions, however, this research was paused while the Department dealt with the impacts of the pandemic.

The Secretary of State indicated that the number of work coaches may double. We are concerned that this may not be enough to support claimants to find work in what may be a stagnant labour market with high levels of competition for many vacancies. The DWP should cap the number of cases for which each work coach can be responsible. Local jobcentres will have to decide how best to ensure that the cap reflects the composition of work coaches' caseloads, as some claimants will require more intensive support than others. (para 251)

Work Coach Team Leaders continually review Work Coach caseloads, particularly in the current climate with the unprecedented volume of claims to ensure that they are manageable. Capping caseloads at a specific number would not be appropriate given the fluid nature of caseloads and the different Labour Market regimes that exist within UC, meaning the level of support linked to each claimant changes on a regular basis. Work coaches remain a key element of our overall employment offer and we have committed to doubling the number of work coaches to 27,000 by the end of this financial year.

This increased recruitment is bolstered by measures announced in our Plan for Jobs, including the £2bn Kickstart Scheme and increased numbers of Sector Based Work Academy Programmes (SWAPs).

The DWP's successful management of large numbers of new claims by frontline staff involved a rapid reorganisation of priorities and resources. The DWP should already be reorganising to meet the unfolding jobs crisis. It must build stronger links with employers, local authorities and local education providers to harness their skills, expertise and resources to train and match claimants who can work with available jobs in a difficult and transformed labour market.

We welcome the Government's consideration of new active labour market policies. We urge it to act quickly and boldly. (para 261-263)

The Department notes the recommendations and believe we are already acting quickly to implement and improve on such links. DWP is exploring ways of working with the employment sector to harness their expertise and experience so that we can respond to the challenges that the current economic climate presents. We have also taken decisive action on youth unemployment. The Department launched our new Kickstart Scheme in September. Backed by a £2 billion fund, Kickstart will create hundreds of thousands of high quality 6-month work placements aimed at those aged 16-24 who are on UC and are deemed to be at risk of long term unemployment.

We are working with the Recruitment and Employment Confederation (REC) and the Institute of Employment Professionals (IEP) to establish ways in which we can collaborate to help people who have been made redundant move quickly back into the labour market, focusing on their transferable skills and how they make sectoral transitions. This work is at an early stage but we will be working closely with colleagues in the recruitment and employability sector to ensure we can offer the best possible help and advice to our customers.

It should not be necessary for claimants to require specialist help to navigate the system. As this is necessary under Universal Credit, claimants have a right to informed, independent and free advice. The benefit has had a dramatic impact on the provision of support services by local authorities, housing providers and community-based advice bodies, as helping claimants to navigate the system has become one of the main functions of such services. Claimants have a right to such support; but this has had a significant impact on the budgets of such organisations. The Government should

devise a fund for supporting this work, work alongside local authorities to identify best practice for providing ongoing and accessible advice, and publish the results. (para 269)

UC has been designed to be as quick and easy as possible for the claimant, ensuring they receive money for which they are entitled at the earliest opportunity. We are continuously reviewing and improving the service for vulnerable people who claim UC to ensure that it is accessible and responsive to their needs. If claimants cannot make or manage their claim on-line, telephone and face to face support is available, with staff also able to refer to specialist provision. In the wake of the pandemic, the Department saw over three million new claims to UC with the vast majority of claimants being able to access timely support with ease.

Since 1st April 2019, DWP moved to Help to Claim programme, which has thus far been delivered by Citizens Advice and Citizens Advice Scotland with grant funding. Help to Claim continues to offer independent, tailored, practical support to help people make a UC claim and receive their first payment on time and in full. More information is available online via https://www.citizensadvice.org.uk/helptoclaim/ and https://www.cas.org.uk/helptoclaim .