Department for Work & Pensions

The Rt Hon Mel Stride MP
Secretary of State for Work & Pensions

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Rt Hon Sir Stephen Timms MP
Chair, Work and Pensions Select Committee
House of Commons
London SW1A 0AA

9 February 2024

Dear Stephen,

Thank you for your letter of 13 December following up on my appearance before your committee on 6 December. During that session we offered to share further information with the committee, and you have followed up with some additional requests. The information you requested is set out below.

The number of Disability Employment Advisers and confirmation of whether they are in every jobcentre.

The Jobcentre Plus Disability Employment Enabling Roles consist of Disability Employment Adviser Leaders (DEAL) and Disability Employment Advisers (DEA). At the session we agreed to provide clarity on current DEA numbers and location.

As of the 30th November the Full Time Equivalent (FTE) figure for DEAs is 744 based on our Activity Based Model (ABM)[1]. Due to the supporting nature of the DEA role, our priority is to ensure that every Work Coach in every Jobcentre has access to support from a DEA, rather than a DEA in every Jobcentre.

DEAs support Work Coaches and Jobcentre colleagues in situations where claimants present with complex employment circumstances involving health and disability issues. Support to Work Coaches includes upskilling, case conferencing and facilitating three-way conversations with claimants over the phone or face to face. The primary role directly supporting customers in Jobcentres is the Work Coach role, although where appropriate DEAs can also directly support customers with a health condition or disability where additional support can benefit the customer.

DEALs link DEAs and other Jobcentre staff with local partners, to strengthen knowledge of and access to local support available for people with health conditions and disabilities. As of the 30th November the FTE figure for DEAL is 99 based on ABM[2].

These roles are in addition to Work Coaches working in our Jobcentre.

[1] ABM figures are unpublished management information and a point in time estimate, collected and intended for internal departmental use.
[2] As per note 1.

Latest data on sanctions.

Legislation sets out the types of requirements that can be applied to claimants depending on the legal conditionality group that applies to them. The Welfare Reform Act 2012 and the Universal Credit regulations 2013/2015 determine the conditionality expectations relevant to each claimant. The requirements any claimant is asked to meet will be clearly set out in their Claimant Commitment.

Claimants who are in the No Work Related Requirements group are not subject to conditionality and therefore cannot be sanctioned. This group includes claimants who are too sick to work or have defined caring responsibilities or are earning over their conditionality earnings threshold.

Claimants who must meet certain work-related conditions to receive their Universal Credit payment are only sanctioned if they fail to meet their agreed requirements or fail to take up or stay in employment without good reason.

In August 2023 6.48% of UC full-service claimants in conditionality regimes where sanctions can be applied, at the point where a sanction was applied, had a deduction taken from their UC award as a result of a sanction.

Data on the number of expected RTI errors and RTI disputes raised by claimants.

Legislation provides for the use of Real Time Information (RTI) in the calculation of Universal Credit (UC) entitlements. That system is working well and providing accurate information.

Over the last 12 months 99.8% of RTI returns by employers to support UC claims were found to be correct. For the 0.2% of cases, where the employer has reported incorrectly, we endeavour to correct the UC award as soon as we are made aware.

Entitlement to UC is calculated in monthly assessment periods. The amount of UC paid reflects, as closely as possible, the actual circumstances of a household at the end of each assessment period, including any earnings reported by the employer during that assessment period. Monthly reporting allows UC to be adjusted monthly, which ensures that if a claimant's income falls, which results in a rise in their UC, they will not have to wait several months to receive it.

Wherever possible, employed earnings are received through the RTI system used by employers to report Pay As You Earn (PAYE) data to HMRC. RTI enables a claimant's UC award to be automatically adjusted to reflect their earnings, which eases the reporting burden on claimants: in the last twelve months for which we hold data, there have been around 29 million RTI feeds to calculate UC payments for households with employed earnings.

If earnings are not reported through RTI for any reason, the claimant needs to self-report their earnings to DWP.

If a claimant wishes to dispute the earnings information we have used, they can submit evidence to the DWP, the HMRC dispute team would complete a preliminary check before sending over to the DWP disputes team to resolve. For instances where this cannot be resolved internally, HMRC would be notified through the Joint Management Engagement Team who would complete further checks to verify the income. This would only be returned to DWP if no contact is established with the individual's employer. The DWP will investigate the case and make any necessary changes.

The number of Universal Credit claimants in the Social Rented sector who the Department expect will be affected by the 53-week rent year in 2024–25.

During the session (Question 421) we were asked to confirm the number of UC claimants who would be affected by 53 weekly charging periods in the year 2024-25.

Based on current levels of weekly charging, we estimate that by March 2025, approximately 200,000 Social Rented Sector claims in Universal Credit will have had a continuous six-year award. However, this could be lower due to some SRS landlords switching to a monthly charging regime.

The transfer of people from Incapacity Benefit to ESA:

The number of people transferred by DWP from Incapacity Benefit to Employment and Support Allowance (ESA), who were incorrectly not paid the income-related-component of ESA.

From March 2011, the Department migrated people on incapacity benefits (for example, Incapacity Benefit [IB] and Severe Disablement Allowance [SDA]) to ESA.
During this process, some transfers onto ESA cases were not handled appropriately - some IB and SDA claimants were converted to Contributory ESA but were not considered for Income-Related ESA. The DWP started a LEAP exercise in December 2017 to review these cases and correct any errors. This exercise was completed June 2021.
The Department reviewed around 600,000 cases and made 118,000 arrears payments, totalling £613 million pounds. The average arrears payment was £5,000. Further details of the completed exercise can be found in the final statistical publication published in the same month[3]. The then Minister for Disabled People, Health and Work made a statement[4] to the house in July 2021.

The number of people paid compensation for this error and the size of the average compensation payment made.

The decision not to pay further redress to cases corrected by this exercise was questioned by the Public Accounts Committee (PAC) in May 2018. The Permanent Secretary said in evidence at that hearing that the Department's Special Payment scheme applies to redress for the impact of maladministration on an individual. As the scheme is a discretionary scheme, it need not apply in corrective exercises.

He made clear that when considering large scale corrective exercises such as LEAPs, decisions on redress must take account of the principles set out in Managing Public Money; they must not create precedents that put the taxpayer at risk and should not apply a blanket decision that applies to all cases. The main thrust of such LEAP exercises is to correct the cases and pay the right amount of benefit to all those who are impacted.

The Permanent Secretary again restarted this position in his letter of 11 April 2022 to the Parliamentary and Health Service Ombudsman regarding an investigation into the DWP's

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[3] June 2021: ESA underpayments: Numbers affected, expenditure and final update on checking - GOV.UK (www.gov.uk)
[4] https://questions-statements.parliament.uk/written-statements/detail/2021-07-12/hcws171

handling of migration to Employment and Support Allowance. This was copied to the chair of the Committee.

Whether the Department has taken any action to remedy all those adversely affected by the migration to ESA and who were not included in its Legal Entitlements and Administrative Practices (LEAP) exercise.

On 12 July 2021, the then Minister of State for Disabled People, Health and Work made a statement to House of Commons which made clear that at that point, the Department had considered all cases, completed relevant reviews and where the information has been provided, and arrears paid were due.

In the 11 April 2022 letter, the Permanent Secretary made clear that there is no evidence of a systemic issue whereby those cases dealt with outside the ESA underpayment LEAP exercise above were unable to access the Department's Special Payment scheme at any time.

The number of people affected by the migration to ESA who have contacted the Department to request a Special Payment because they feel their circumstances are exceptional.

As explained in Parliament by the Minister for Welfare Delivery on 13 January 2022, and by the DWP Minister for Lords on 17 January 2022, should a claimant feel that they should receive compensation due to their individual circumstances, they can contact the Department and set out their reasons. All requests received will be considered on a case-by-case basis.

Prior to 2022, the data for people contacting the Department to request a Special Payment related to their migration from incapacity benefit to ESA was not recorded centrally. Since January 2022, the DWP has been contacted 31 times about this issue. 26 of these were dealt with in this LEAP exercise. Of the 31 cases, 25 were paid a consolatory payment.

Minor amendment to oral evidence.

Finally, the Director General for Disability, Health and Pensions would like to clarify her use of the term "compensation" in response to questions in 382-385 in oral evidence provided on 6 December 2023. As the rest of the transcript makes clear, she was referring to the arrears payments received by some claimants after the Department had corrected some past underpayments of ESA, which arose while reassessing incapacity benefit claims. Further details of this exercise can be found in the statistical publication and Ministerial Statement referenced at footnotes 4 and 5 in this reply.

I look forward to our continued engagement with the Committee in future.

With every best wish,

Mel Stride

The Rt Hon Mel Stride MP Secretary of State for Work and Pensions

Work and Pensions
Committee

13 December 2023

Rt Hon Mel Stride MP
Secretary of State for Work and Pensions
(By e-mail only)

Dear Mel,

Benefit Levels in the UK
Thank you very much to you and your officials for giving evidence to the Committee on 6 December as part of our inquiry into benefit levels in the UK. We recognise the time and effort required to prepare for these sessions and the number of people involved in doing so. It was helpful to hear the Department's view on the processes used to make decisions on benefit levels, and its thinking around recent policy announcements.

In the session, you said it would be possible to share further information with us on several areas:

- The number of Disability Employment Advisers and confirmation of whether they are in every job centre;
- The number of people transferred by DWP from Incapacity Benefit to Employment and Support Allowance (ESA), who were incorrectly not paid the income-related-component of ESA;
- The number of people paid compensation for this error and the size of the average compensation payment made;
- The latest departmental data on benefit sanctions;
- Data on the number of expected RTI errors and the number of RTI disputes raised by claimants; and
- The number of Universal Credit claimants in the Social Rented sector who the Department expect will be affected by the 53 week rent year in 2024–25.

In addition it would be helpful if you could also share:

- Whether the Department has taken any action to remedy all those adversely affected by the migration to ESA and who were not included in its Legal Entitlements and Administrative Practices (LEAP) exercise; and
- The number of people affected by the migration to ESA who have contacted the Department to request a Special Payment because they feel their circumstances are exceptional.

I would be grateful for your response to these questions by Thursday 11 January. As is usual practice with the Committee's correspondence, I will be publishing this letter and your response on the Committee's website.

Yours sincerely,

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

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