



Department
for Work &
Pensions

THE RT HON THERESE COFFEY MP
Secretary of State for Work and Pensions

Caxton House
Tothill Street
London
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Rt Hon Stephen Timms MP
Chair
Work and Pensions Committee
House of Commons
London
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3rd September 2021

Dear Stephen,

Thank you for your letter of 21 July following the evidence I gave to your committee on 7 July. I understand you have further questions; please find responses to your questions below.

Measuring poverty

- 1. Does the group have a Terms of Reference or statement of aims/objectives? If so, could you share this with the Committee?**
- 2. How often does the group meet/does it expect to meet? Will there be any outputs made available from meetings?**
- 3. What wider outputs does the group intend to produce?**

I have chaired a series of meetings with departments, with responsibility for policies that impact low-income households. This includes BEIS, DCMS, DEFRA, DFE, DFT, HMT and MHCLG, as well as the Territorial Offices. The objective is to understand this work in the round, with meetings taking place on an ad hoc basis. My aim is for the cross-government group to support a coordinated and innovative approach to tackling poverty, including the cost of living. These discussions feed into ongoing policy development.

The £20 uplift and off-flow from Universal Credit

- 4. You told us that the Department does not currently have the RTI data it would need to know if this was the case (whether those who had come on to Universal Credit [UC] because of the financial shock of the pandemic had moved back into sustainable employment). When would you expect to have it?**

The Department receives RTI data for UC claimants for six months following the end of the claim. While this enables us to identify the earnings of a claimant, it does not easily enable us to identify whether a claimant has returned to sustainable employment. This is complicated as UC is a household benefit and changes to the

composition of the household will impact entitlement and the ability to track outcomes.

5. Please could you set out the Department's communications strategy for the removal of the £20 uplift? It would be helpful to know how the Department is communicating with claimants remotely (for example, via letter or social media), in person (via Work Coaches and in Jobcentre Plus), and via third parties (for example, support organisations).

The Minister for Welfare Delivery wrote to the Committee on 22 July detailing the Department's commitment to communicate with claimants ahead of the temporary UC uplift, which addresses the questions raised in this letter.

6. Could you also please enclose copies of any communications material referred to in your reply.

The Minister for Welfare Delivery made clear in his letter of 22 July that further communication on the removal of the £20 uplift will be issued in due course. Examples of communication already provided to claimants is set out below:

Statement message *made on 23 July*

'You have been getting an extra £86.67 each month since [date of first payment after 6 April 2020]. This is a temporary increase because of the coronavirus (COVID-19) pandemic.'

Journal message sent to claimants from 11 August

'The temporary coronavirus (COVID-19) increase to your Universal Credit payment will end soon. You have been getting an extra £86.67 each month since [date of first payment after 6 April 2020]. This is a temporary increase because of the coronavirus (COVID-19) pandemic. This increase will end soon. Your payment on (date of payment) will be the last time you receive this amount.'

7. Has the Department carried out any research or survey work to help it understand whether claimants are well-informed about the end of the uplift?

No.

Research on the Minimum Income Floor

8. The Department told the previous Committee it intended to produce two pieces of quantitative evaluation. What has happened to this research? Does the Department still intend to produce it?

a. If not, how else is the Department monitoring the impact of the MIF on claimants?

The quantitative evaluation previously discussed with the Committee did not take place due to the Minimum Income Floor being suspended during the Covid-19

pandemic. We are not doing anything else to monitor the impact of the MIF on claimants at this time.

9. Does the Department hold any data on the demographics of people who have passed and failed the GSE test: for example, by health/disability or by gender?

The Department holds some data on certain characteristics of self-employed claimants, such as gender. However, this information is not currently representative due to changes in the caseload and conditionality for self-employed UC claimants during the Covid-19 pandemic. We do not hold data on the health conditions of self-employed claimants.

Managed migration and 'better off' forecasts

10. Please can you explain the discrepancy between the Department's forecast and the OBR's?

The DWP completion date is the end of 2024. The OBR is responsible for its own view.

11. Why does the Department signpost claimants to third party entitlement calculators for Universal Credit? Why can the Department not provide claimants with information about what their entitlement would be if they were to move to Universal Credit?

a. Is Citizens Advice allowed to provide "better off" calculations to prospective UC claimants under the terms of its funding to deliver Help to Claim?

12. If the Department cannot be confident in predicting what UC claimants' entitlements would be, please could you explain how it will identify those who would be better off on UC?

The Government encourages individuals to use one of the independent benefit calculators on gov.uk to carefully check their eligibility. On applying for UC, their entitlement to legacy benefits will cease and they will not be able to return to them in the future. Neither DWP nor HMRC can advise individual claimants whether they would be better off moving to UC or remaining on legacy benefits as every individual case and circumstance is different.

Under Help to Claim, Citizens Advice/Citizens Advice Scotland provide eligibility advice to support the claimant in making the choice whether to make a claim to UC.

13. Has the Department produced any draft communications with claimants on this issue, and if so please could you share these with the Committee?

a. What will the Department be doing to warn people that their income could go down, as well as up, on moving to UC?

This question was raised during one of our stakeholder workshops earlier this year and the Department has committed to considering the issue in more detail. We will keep the Committee updated of any development in this area in due course.

Health benefits for assessments during the pandemic

14. Why is it that IIDB requires a face-to-face assessment more so than PIP or ESA?

15. To what extent are a) contractors and b) Departmental staff working on health assessments now back to full capacity/“business as usual”?

Face-to-face examinations are usually required for IIDB in order to confirm the nature and severity of disablement an individual may have. For example, disablement may need to be confirmed by testing lung function, conducting hearing tests or assessing swelling or tenderness in joints, depending on the nature of the disease or injury. Often these can only be done with the claimant present and could involve spending an hour, sometimes longer, in an enclosed private space with a healthcare professional with some assessments involving direct medical examination.

The Department continues to address the capacity challenge for health assessments across benefits. This includes the high levels of attrition contractors have experienced, and our contracted assessment providers are taking steps to increase the number of assessments they are able to undertake. We are recruiting health professionals, who will undergo a comprehensive training process to ensure the quality of assessments and productivity meet departmental standards. DWP staff who were redeployed to work in other areas have mostly returned.

Face-to-face assessments for PIP are taking place alongside existing telephone and paper-based assessments. Latest available figures (April 2021) show that average clearance time from an initial PIP claim to a decision being made for new claims was 19 weeks. Average journey times to July 2021 will be published in the PIP Official Statistics release in September 2021.

State pension underpayments

16. You told the Committee that the law allows DWP to pay back 12 months of state pension underpayments for cases of divorced women and pre-March 2008 cases. If it decided to do so, could the Department use its discretionary special payment scheme to pay back a greater amount?

It would not be appropriate to use this scheme to extend arrears payments beyond the period set out in legislation, The Social Security [Claims and Payments] Regulations 1987 Schedule 4 [13], as this would mean doing something which Parliament had decided not to do.

**THÉRÈSE COFFEY MP
SECRETARY OF STATE FOR WORK AND PENSIONS**





Work and Pensions Committee

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

21 July 2021

Dear Thérèse

Thank you for giving evidence to the Committee on 7 July. There were several matters that we discussed during the session and agreed to follow up in correspondence.

I would be grateful if you would answer the following questions.

Measuring poverty

We discussed the inter-ministerial group, which you explained is a more structured version of the cost of living taskforce.¹ I realise the group was set up very recently, but I would be grateful if you could provide some more information on its objectives and outputs.

1. Does the group have a Terms of Reference or statement of aims/objectives? If so, could you share this with the Committee?
2. How often does the group meet/does it expect to meet? Will there be any outputs made available from meetings?
3. What wider outputs does the group intend to produce?

The £20 uplift and off-flow from Universal Credit

We asked about whether the Department had lobbied the Treasury to maintain the £20 uplift to Universal Credit, and about what data the Department held to justify the removal of the uplift. The Committee was particularly interested in the evidence given to us by the Minister for Welfare Delivery in February 2021. He explained:²

I would stress that the £20 uplift was brought in to support those facing the most financial disruption during the course of the pandemic, who were facing a huge economic shock, largely those who had lost their jobs entirely or had seen a significant drop in income, many of whom were interacting with our benefit system for the first time.

We wanted to understand whether the Department held data showing that those who had come on to Universal Credit because of the financial shock of the pandemic had moved back into sustainable employment.³

¹ Q6-8

² <https://committees.parliament.uk/oralevidence/2427/pdf/>

³ Q15-16

4. You told us that the Department does not currently have the RTI data it would need to know if this was the case. When would you expect to have it?

We discussed how the Department is communicating with claimants about the end of the £20 uplift, to help ensure they are able to plan financially. You agreed to provide us with further information on this, and copies of communications that are being sent to claimants.⁴

5. Please could you set out the Department's communications strategy for the removal of the £20 uplift? It would be helpful to know how the Department is communicating with claimants remotely (for example, via letter or social media), in person (via Work Coaches and in Jobcentre Plus), and via third parties (for example, support organisations).
6. Could you also please enclose copies of any communications material referred to in your reply.
7. Has the Department carried out any research or survey work to help it understand whether claimants are well-informed about the end of the uplift?

Research on the Minimum Income Floor

We asked when the Department planned to carry out and publish the large scale quantitative study of how claimants were responding to the Minimum Income Floor, which it committed to produce in evidence to the previous Committee in 2018.

The Department told the previous Committee it intended to produce two pieces of quantitative evaluation:

- a) Multi-waved quantitative studies that will track the impact of UC on claimants' work decisions. The Department explained that this would require a sample of around 5,000 claimants. The former Minister expected this to occur in around Summer 2018.
- b) Tracking status changes using administrative data. This will examine whether claimants subject to the MIF have opted to remain on UC and whether they have changed their employment patterns. The Department expected this data to be "developed over 2018".⁵

Producing this research would depend on the UC self-employed caseload being sufficiently large: the Department estimated that it would need at least 50,000 self-employed UC claimants before it could begin. It expected to be able to produce this analysis by Autumn 2019, at the earliest.

You told the Committee in evidence that there are now just under 500,000 self-employed people claiming Universal Credit.⁶

⁴ Q125-126

⁵ <https://www.parliament.uk/documents/commons-committees/work-and-pensions/Correspondence/Letter-from-Alok-Sharma-to-the-Chair-regarding-Universal-Credit-6-February-2018.pdf>

⁶ Q36

8. What has happened to this research? Does the Department still intend to produce it?
 - a. If not, how else is the Department monitoring the impact of the MIF on claimants?

We briefly discussed the “gainful self-employment” test for self-employed Universal Credit claimants. You told us that “what I do know is that, pre-Covid about half of people failed the gainfully self-employed test”.⁷

9. Does the Department hold any data on the demographics of people who have passed and failed the GSE test: for example, by health/disability or by gender?

Managed migration and “better off” forecasts

The Committee was interesting in understanding how the Department views its role in helping claimants to understand whether they would be better off on UC, especially compared to legacy benefits. We also asked for an update on managed migration and the expected completion date for rolling out Universal Credit, and on how the Department intended to encourage people to move to Universal Credit voluntarily.

You told us that you were confident that Universal Credit would finish rolling out in 2024.⁸ The OBR, however, said in its March 2021 Economic and Fiscal Outlook that roll out would not be complete until 2026.⁹

10. Please can you explain the discrepancy between the Department’s forecast and the OBR’s?

On entitlements, you explained that the Department “does not get into trying to predetermine exactly what the UC entitlement would be”. You said, however, that claimants could use third-party calculators or could access support services, such as Citizens Advice and Help to Claim, which the Department funds.¹⁰

11. Why does the Department signpost claimants to third party entitlement calculators for Universal Credit? Why can the Department not provide claimants with information about what their entitlement would be if they were to move to Universal Credit?
 - a. Is Citizens Advice allowed to provide “better off” calculations to prospective UC claimants under the terms of its funding to deliver Help to Claim?

You told us that, as part of managed migration, the Department is exploring how it can encourage people who would be better off if they moved to Universal Credit to move over.¹¹ You also told us, as set out above, that the Department does not “predetermine

⁷ Q27

⁸ Q34

⁹ <https://obr.uk/efo/economic-and-fiscal-outlook-march-2021/>, p.193

¹⁰ Q35-36

¹¹ Q37

exactly what the UC entitlement would be”, and encourages claimants to take third party advice on the matter.

12. If the Department cannot be confident in predicting what UC claimants’ entitlements would be, please could you explain how it will identify those who would be better off on UC?
13. Has the Department produced any draft communications with claimants on this issue, and if so please could you share these with the Committee?
 - a. What will the Department be doing to warn people that their income could go down, as well as up, on moving to UC?

Health assessments for benefits during the pandemic

We discussed delays to assessments and backlogs for benefits including ESA, PIP and Industrial Injuries Disablement Benefit (IIDB). You explained that alternative processes had been put in place for some benefits, but for IIDB in particular this had been more difficult:¹²

I think it is fair to say there are some benefits that can only be issued by a physical face-to-face intervention and in particular I think that is the industrial injuries one.

14. Why is it that IIDB requires a face-to-face assessment more so than PIP or ESA?

You also noted that the Department’s contracted assessment providers had suffered capacity problems during the pandemic, with many healthcare staff going to work in the NHS. We have previously discussed the impact of the pandemic on the Department’s decision making staff, many of whom were redeployed to work in other areas.¹³

15. To what extent are a) contractors and b) Departmental staff working on health assessments now back to full capacity/”business as usual”?

State pension underpayments

16. You told the Committee that the law allows DWP to pay back 12 months of state pension underpayments for cases of divorced women and pre-March 2008 cases.¹⁴ If it decided to do so, could the Department use its discretionary special payment scheme to pay back a greater amount?

I would be grateful if you would reply by 12 August.

Yours sincerely,

¹² Q40

¹³ Q42

¹⁴ Q120

A handwritten signature in black ink, reading "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