

Written evidence from Geoff Fimister [SWP0043]

The Disability Benefits Consortium (DBC) is a network of over 100 organisations with an interest in disability and social security. For our full list of members, see

<https://disabilitybenefitsconsortium.wordpress.com/dbc-members/>

Using our combined knowledge, experience and direct contact with millions of disabled individuals, people with long-term health conditions and carers, we seek to ensure that Government policy reflects and meets the needs of all disabled people.

The current inquiry

The Covid-19 outbreak has profoundly impacted upon the lives of disabled people, in or out of work, as it has the rest of society. Of course, people with disabilities or long-term health conditions often have particular vulnerabilities.

The DBC therefore welcomes the recently announced measures designed to protect the incomes of large numbers of people whose livelihoods have been adversely impacted. However, in our view these support measures need to go further.

People living with a disability and those with long-term health conditions tend to have lower real incomes and higher costs than the general population and we are calling on the Government to produce a more comprehensive package of support, to better protect these individuals and their families, at this difficult time.

The Committee's inquiry is therefore very welcome, but the timescale is tight and we have not had the opportunity to consult our membership specifically for the purposes of this submission. Nevertheless, the proposals that we have put to the Secretary of State for Work and Pensions are based on various discussions among our members and we have endeavoured below to group them so as to correspond to the questions that the Committee asks.

The Committee's questions

1. How well is the Universal Credit (UC) system working for the unprecedented numbers of new claimants?

1.1 We welcome the measures taken to expand the Department for Work and Pensions (DWP)'s capacity, but the operational challenge remains considerable.

1.2 Disabled people newly applying for UC have been caught up in the problems of accessing the system that have affected all groups – notably very long online and telephone delays and associated malfunctions such as cut-offs following a lengthy wait.

1.3 The recent “don't call us, we'll call you” measure, designed to cut out telephone delays for people who have already claimed online, is therefore very welcome. It remains to be seen how well it will work in practice, but it should represent a considerable step forward.

1.4 We have recommended to the Secretary of State that a high priority should continue to be given to resolving urgently technical and capacity issues.

1.5 Also, clear guidance must be made available (to the public and to DWP staff) regarding the correct process to make both a digital and a non-digital claim for UC.

2. Has there been any improvement in the significant delays that new UC claimants were experiencing in the second half of March?

2.1 We have no systematic evidence so far, although our impression is that problems remain but are likely to be diminishing in scale as outstanding claims are processed. Whether they will be eliminated remains to be seen.

2.2 As noted above, we would expect significant streamlining as a result of the switch to DWP responsibility for making follow-up calls. Moreover, this should free up telephone capacity to communicate with those claimants who are unable to make online claims.

3. How quickly are people who ask for advance payments of UC receiving their payments?

3.1 We do not have evidence on the speed of the process, but we do have other points to make concerning “advance payments”.

3.2 New claimants for UC will have to wait at least five weeks until they receive their first payment. We know that this can mean people face a

significant reduction in income, leading to worry about how to pay bills and buy food. An “advance payment” is in effect a loan, deducted from future payments, which can leave people struggling to make ends meet.

3.3 The DWP has said that the £20 per week temporary uplift in UC will more than cover the loan repayments, but this rather defeats the object of the uplift as a cushion against income shock.

3.4 In our view, the Government should make all UC advances for disabled people non-repayable grants.

4. What lessons can be learned from the changes that have been made to the processes for verifying the identity of UC claimants? Are there any particular changes that should stay in place after the outbreak ends?

4.1 See 2.2 above. We would indeed like to see this remain in place for the future.

5. How do the needs of people claiming UC for the first time now differ from the needs of groups who've claimed UC in the past? How well is UC working for these new groups of people?

5.1 Those disabled people represented in the recent surge of UC claims will mainly be those who were in work, but have now been laid off. Unless they were previously eligible non-claimers, that means they formerly had an income above UC levels, so may well experience the income shock of a sudden drop.

5.2 It remains to be seen how far UC will ameliorate this effect, bearing in mind that the uplift is proportionately large in benefit terms, but small where a “good wage” was previously earned.

5.3 Claimants already receiving UC or legacy benefits will be low-paid and/ or possibly part-time, or not in work. They will be more used to surviving on a low income, but may also be experiencing the associated problems of hardship and debt.

6. Are there any indications of how well the UC system will work for these claimants as they move into work in the short- to medium-term?

6.1 It is important that claimants understand that UC entitlement may continue, at a different level, in work.

6.2 A boost to publicity for the Access to Work scheme would also be helpful in the immediate post-crisis period.

7. How well is the benefits system working for self-employed people who are unable to access the Government's Self-employment Income Support Scheme?

7.1 There is a widespread view among social security specialists that the Minimum Income Floor is unrealistic and needs revision. Its suspension during the crisis should therefore help, although we have no specific evidence so far.

8. Is there a case for temporarily suspending the capital limits in UC during this period?

8.1 Claimants of means-tested benefits generally have very small or no savings, but people who suddenly lose a job that might have been relatively well-paid will frequently be caught by the UC capital rules, so a suspension would no doubt help with the problem of financial shock.

9. How effective have DWP's communications with the public been during this period?

9.1 Communications with stakeholder organisations have been proactive and very constructive.

9.2 However, as regards the wider public, the benefit system is not well-understood at the best of times and we are seeing some evidence of confusion (see answer to question 10 below).

10. How easy is it for people to understand what they're entitled to claim?

For example:

- Is it clear enough how the benefits system interacts with other forms of Government support during this period, such as the Coronavirus Job Retention Scheme?

10.1 Reduced earnings if the employer does not make up pay above the furlough subsidy level (as well as the UC uplift) may give rise to a UC entitlement where previously there was not one (or increased Housing Benefit and/ or possible new or increased Council Tax Support). Given the poor understanding of in-work benefits that we frequently encounter, it is likely that this is not well understood.

10.2 Some confusion seems to apply to the furlough scheme itself – for example, the fact that it is at the employer’s discretion, rather than being an employee entitlement.

- Is it clear enough how public health guidance interacts with the benefits system?

10.3 We have had some reports of potentially vulnerable employees (that is, with health conditions) being afraid that their job is unsafe – although the employer declines to put them on furlough – but being unclear as to their social security position if they leave. Partly, this is a matter of obtaining accurate advice as to entitlements. Official reassurance that they will not risk a “leaving without good cause” sanction in these circumstances would also be welcome.

11. How is the assessment process for Employment and Support Allowance (ESA) working? Have there been any difficulties with obtaining medical evidence to support claims?

11.1 We have had some reports of Fit Notes being a problem for cases unrelated to Covid-19 – that is, where the claimant does not have and is not self-isolating because of the virus. DWP guidance seems to imply “business as usual”; but some DBC members are reporting that GPs are refusing to issue Fit Notes; and ESA claimants report having been told by DWP officials that they “wouldn’t insist” on one. Clarification is needed.

11.2 More generally, as medical professionals come under growing pressure over the coming weeks it is increasingly unlikely that they will be able to provide medical evidence to support a claimant’s benefit application. There has been some easement regarding Personal Independence Payment, but this needs to go further. The Government should extend the time requirements for claimants to return paperwork and to gather medical evidence where necessary, for as long as the claimant needs during this crisis.

11.3 Also, it is very important that, during this pandemic, people living with a terminal illness have swift access to benefits via the Special Rules for Terminal Illness. It is our understanding that under UC, people with a terminal illness will temporarily be able to apply via the Special Rules without the DWP needing sight of a DS1500 form (a form signed by a medical professional to say that the person has a reasonable expectation of death within six months). If this is the case, then this is very welcome. The Government should extend this provision to other benefits which can be applied for under the Special Rules: ESA, Personal Independence Payment and Attendance Allowance.

12. What impact has the outbreak had on people who were waiting for a Mandatory Reconsideration of a decision, or who were going through the Appeals process?

12.1 The DWP has given reassurances, but we are very concerned that current pressures are likely to slow down the Mandatory Reconsideration (MR) process. This will mean people could be receiving less financial support than they are entitled to – some receiving no income at all.

12.2 We have proposed that the Government should fully reinstate a benefit that has been wholly or partly withdrawn and is awaiting MR or an appeal. At the very least, the DWP should pay the basic/ standard rate to claimants whose benefit is suspended pending MR, until the process is completed.

13. Have people who were already claiming benefits when the outbreak began seen any changes to the support they receive from the DWP?

13.1 We do not yet have much feedback on this. The concomitant of a welcome reduction of pressure around work-related activity requirements may also be less support – but there are issues around the adequacy and quality of employment support anyway.

13.2 Further, while there have been welcome easements, there has been no formal indication that all work-related conditionality has been suspended, although it is difficult to see how it could be meaningfully applied in present circumstances. The Government should explicitly suspend work-related conditionality and associated sanctions.

14. Are people who are claiming benefits receiving enough money to cover their basic living costs during this period?

14.1 This begs the question of whether claimants receive enough money normally. There is much evidence that they often do not.

14.2 The increase in the UC standard allowance (and Working Tax Credit (WTC)) is very welcome, helping to cushion the financial shock which many will experience. However, other claimants likewise face financial challenges, especially after several years of a benefit freeze.

14.3 We have therefore proposed that the Government should give a corresponding uplift to “legacy” and similar benefits.

14.4 This should take the form, within ESA, of the full restoration of the Work-Related Activity Group (WRAG) addition – with a similar increase to restore the equivalent UC Limited Capability for Work (LCW) addition.

14.5 That is, legacy benefits (and ideally contributory equivalents) would be uplifted by £20 pw in line with UC and WTC, except that WRAG and LCW claimants would receive a £30 uplift instead.

14.6 Artificial limits that keep many households (mainly with children) below basic benefit levels are particularly inappropriate at this time. Many disabled households receive benefits that exempt them from the benefit cap, but many do not; and no corresponding exemptions apply to the “two-child policy”. The Government should suspend the benefit cap and the “two-child policy”.

14.7 We are also concerned about deductions from benefit to repay debts. Prior to recently-announced easements, 1.3 million claimants were having deductions made from their UC payments to pay debts – over half of them losing 20% or more of their basic allowance. The decision to pause such deductions where they involve benefit-related debt recovery is very welcome, but this does not include UC “advance payments” and does not cover other debts such as those for rent or utilities.

14.8 The Government should suspend all debt repayment deductions from UC, to ease financial hardship for the duration of the current crisis.

15. Are there groups of people who need support but are unable to access it through the benefits system? What should the DWP be doing to support those people?

15.1 Whatever the problems and limitations may be, most disabled people in the UK will be able to access the benefit system to one degree or another.

15.2 However, we are aware that there are problems where there is an overlap between social security rules and immigration status. Some of those affected will be disabled. We have little evidence in this area, but the needs of migrants and others with limited or no access to the social security system must surely be a matter requiring urgent attention. Pressure upon migrants to work in order to survive puts them and others at serious risk.

15.3 One of our member organisations with experience in this area has recommended that the “no recourse to public funds” barrier should be suspended during the crisis, a sensible proposal that we endorse.

16. Are support organisations and charities able to access the resources they need from DWP to support vulnerable people? What more could DWP be doing to facilitate that support?

16.1 Such organisations have frequently sustained substantial reductions in their capacity over the last 10 years, as a consequence of austerity. This is particularly a result of financial pressures on local authorities, as well as the curtailment of legal aid.

16.2 Neither of the above factors falls within the DWP’s responsibilities, but one measure which does – and which would help greatly – would be to end the “explicit consent” requirements that prevent advisers from representing claimants properly. We understand that there may currently be some movement on this, possibly informally, but we urgently need the restoration of an orderly system of implicit consent.

17. Further points in addition to the Committee’s questions

17.1 Any Working Tax Credit claimant who loses their job over the coming few months will not be able to continue claiming WTC and will have to claim UC instead. This means they will lose Transitional Protection (TP). This is a temporary top-up payment that would have been added to their UC to offset any losses, when the DWP eventually

transferred them from WTC – but it is not payable when you move to UC because of a change of circumstances, such as job loss.

17.2 Disabled people in work and parents of disabled children stand to lose far more than most people if they lose TP – sometimes amounting to thousands of pounds a year. This will make it even more difficult for them to recover from the economic shock of the next few months.

17.3 The recommendation above to restore the LCW addition to UC will help, as long as these claimants can retain it in their UC calculation up to and after they return to work. Also, we recommend that the lower rate of the disabled child element of UC should be restored to its level in the legacy system.

17.4 Help to pay council tax is also crucial at this time of acute financial pressure. The Government should encourage local authorities to remove features such as the two-child policy and the self-employed claimants' Minimum Income Floor from their local Council Tax Support/ Reduction schemes – and should legislate to permit them to do so mid-year. Some have simply copied these rules automatically from DWP benefits, possibly without fully appreciating their adverse impact where claimants are struggling.

In conclusion

We hope that, when something like a normal life returns, our various proposals as outlined above, which suggest achievable and positive temporary improvements to be introduced in response to a crisis, might prove a focus for longer-term policy discussion.

Some of the Government's interim measures, as well as several of our own proposals, suggest issues that could usefully carry through to the post-crisis policy agenda, notably:

- telephone follow-up to UC claims to be outward from the DWP;
- scrutiny of the adequacy of benefit rates across the board;
- termination of the benefit cap and two-child policy;
- UC advances to be paid as grants;
- provision of an income during Mandatory Reconsideration;

- the appropriateness of work-related conditionality for disabled people, versus non-mandatory but high-quality employment support;
- restoration of an orderly system of implicit consent.

We hope that the proposals and observations in this submission will be of interest to the Committee.

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