

Written evidence from Zacchaeus 2000 Trust (Z2K) [SWP0056]

Z2K's response to the Work and Pensions Committee's inquiry into DWP's response to the coronavirus outbreak

Zacchaeus 2000 Trust (Z2K) is an anti-poverty charity that uses advice and casework to prevent homelessness and support people to access the Social Security benefits they are entitled to. We use evidence from this work to campaign for change.

Z2K presented oral evidence to the committee on the 18th of March outlining where our clients are being let down by Department for Work and Pension's (DWP) response to the coronavirus outbreak. While a number of welcome measures have been introduced since then, they still don't go far enough. In particular, the Government's primary focus so far seems to be the hundreds of thousands of recently unemployed people who are claiming benefits for the first time, and as a result it has failed to adequately support existing benefit claimants during this COVID-19 outbreak.

We welcome this new inquiry and hope the DWP will be persuaded to urgently bring in further measures to support the enormous number of new benefit claimants, and to provide parity between the support provided to new and existing claimants.

How well is the Universal Credit system working for the unprecedented numbers of new claimants?

The main issue many new Universal Credit (UC) claimants are facing is very long telephone wait times and delayed online response times when trying to contact the DWP. Whilst the digital by default system is able to withstand the large increase of people making the initial claim, greater staffing is needed within DWP so that people can quickly arrange a virtual new claim interview appointment. Recent guidance from the DWP that all new claimants will be contacted by out-bound DWP calls to arrange this appointmentⁱ is definitely a step in the right direction. It is essential these out-bound calls are made in a timely manner.

As a result of this large influx of new claimants, existing claimants are also experiencing long DWP response times. For example, one of our caseworkers posted a query on a client's journal on 25th March, 30th March, 6th April and 8th April and has still had no response as of 15th April. Before COVID-19, DWP would usually respond to online journal queries within a day. The organising of virtual medical assessments for claimants who already had an assessment date is also slow, resulting in delayed decision-making and payment. It is important that the DWP applies equal effort to ensure communications with existing claimants are also timely.

How quickly are people who ask for Advance payments of Universal Credit receiving their payments?

Our major concern is not the length of time people are waiting to receive Advance Payments, but the system of Advance Payments itself.

Z2K submitted evidence to the committee last year for its inquiry into UC "natural migration" and we were pleased to note the final recommendations, including one that DWP "*should look at practical options to eliminate the five week wait*".ⁱⁱ We are disappointed with the Department's refusal to engage meaningfully with this recommendation and the growing body of evidence of the serious problems caused by this delay. Instead, both ministers and senior officials appear to be in complete denial, and UC claimants continue to have to make the difficult decision to either go without during the wait for their first UC payment, or see reductions to their already limited future UC payments.

With the outbreak of COVID-19, DWP has said that UC claimants can receive an Advance Payment without physically attending a jobcentre. We want to see DWP go further and make these loans

non-repayable grants for the duration of this pandemic, ensuring that people are adequately supported throughout this uncertain period and don't face deductions from their already limited standard allowance.

In the long-term, we want to see the five week wait removed completely, and UC claimants should receive their first UC instalment within one week of the initial claim, not in the form of a loan, but as their first payment. This payment should be calculated as follows: a) for claimants in work, their last month's earnings should constitute their assessed income for their first UC payment; b) for those out of work, their legacy benefit entitlement should be converted to UC.

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?

We have concerns that virtual interviews are not working in practice - if a phone appointment has taken place, the UC claim is not always being updated accordingly. One of our clients had a virtual verify housing interview over the phone two weeks ago. Despite this virtual interview, their UC housing costs have still not been added to their April UC award. This will put our client, who has just moved into a privately rented property, in arrears with their landlord. If UC needs further evidence they need to provide a mechanism to upload it – we have a copy of this client's tenancy agreement but there is no way of uploading this to their UC journal.

There are also concerns that the verification framework has not got any lighter regarding Right to Reside and Habitual Residency tests in light of COVID-19. We know of cases where a claimant was incorrectly denied UC on the basis of their Right to Reside because DWP misread their National Insurance records. Now, more than ever, people need access to support quickly, and not be left without what they're entitled to as a result of DWP error.

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 Universal Credit working for these new groups of people?

The majority of new UC claimants who are recently unemployed will be in the All Work-related Activity Group, and because of current circumstances will not be expected to search for work nor make themselves immediately available for work. This is contrary to people who claimed UC and were in this group in the past, who had to be looking for or undertaking work that paid at least the equivalent of 35 hours at National Minimum/Living Wage. The suspension of these All Work-related Activity Group commitments, and the associated sanctions for not meeting these, is necessary given existing restrictions on, and uncertainty around, employment, and new claimants will benefit from this suspension. However, existing claimants in the Limited Capability for Work group are still expected to prepare themselves for work at some point in the future.

We want to see both claimant commitments and sanctions removed for all benefits given that many people will be unable to fulfil their commitments such as attending vocational training, educational courses, or work interviews, and given the current uncertainty about future employment.

We also want to see a restoration of the ESA Work Related Activity Group and UC Limited Capability for Work additional support rates. Since April 2017, people within these groups who are expected to get back into work at some point have not received additional financial support. Given the uncertainty about the economy, we believe that people in these groups should have the additional elements reinstated, ensuring that they are adequately supported.

UC claims can currently be backdated for a month, and only in special circumstances. Given the current uncertainty about when businesses and organisations will re-open, it is likely that people are holding off from making a claim for UC in the hope that normal recruitment and employment practice will resume before they need to. Many people may also have started making a claim, but

given up due to long wait times and/or a lack of digital support – this second point being especially pertinent given the long wait times for Citizens Advice’s now virtual Help to Claim service and that social distancing can prevent peoples’ friends from being able to support them. In light of this, we would like to see the backdated period for UC extended to three months, so that new claimants are not left out of pocket as a result of current uncertainty and restrictions.

How well is the benefits system working for self-employed people who aren’t able to access the Government’s Self-employment Income Support Scheme? Is there a case for temporarily suspending the capital limits in UC during this period?

Some people will be waiting for this self-employment scheme to kick in, therefore missing out on UC in the interim. This is another reason why, as we outlined in our response to question five, the period for which you can get backdated UC should extend from one month to three.

Given that under the self-employed scheme there is no capital limit, it is only right that capital limits in UC are temporarily suspended during this period. People who have savings for business support when times are slow are being penalised.

How effective have DWP’s communications with the public been during this period?

As a charity providing advice, our caseworkers have found DWP communications inadequate. There have been times when DWP has not issued official guidance and as a result information is not available to benefit claimants. At other times, the information provided by the DWP and its outsourced providers has not been consistent:

- There has been a lack of clear guidance on how to make both a digital claim for UC and a non-digital claim, including how the verification call is to be made – that is, if outbound from the DWP rather than inbound from the claimant.
- For people who are locked out of their UC journal without record of their PSN there is no guidance on how they verify their identity remotely.
- Whilst DWP has suspended all new reviews or reassessments across all benefits for three months, there has been no official guidance on what existing claimants who have received re-assessment health questionnaires, but not yet returned these or been given a face-to-face assessment date, should do. The PIP line says that anyone already with a medical assessment form has a three month extension for completing this, but when one of our caseworkers spoke to Assessment Services on 24th March they advised that forms should still be sent in by their existing deadline.

What guidance there is seems to be focused on new claimants, and does not provide clarity for the many people who are already on benefits and concerned about what current circumstances mean for their entitlement and award.

The limited communication that is available is also primarily online. Many people do not habitually check online for updates to Government communications, and many people on benefits are not digitally literate or do not have the IT resources, especially currently given that jobcentres and libraries are closed, to check for DWP communication updates. For these people who are unaware of, or concerned about, changes to their claim as a result of COVID-19, they need the reassurance that they will be updated about any changes via other mediums, such as postal.

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?

No. There should be dedicated sections on the UC general page (<https://www.gov.uk/universal-credit>) that cover these additional forms of COVID-19 Government support.

How is the assessment process for Employment Support Allowance working? Have there been any difficulties with obtaining medical evidence to support claims?

Whilst DWP has suspended all new reviews or reassessments across all benefits for three months, there is still ambiguity about what clients who have already received a medical assessment form for ESA, but have not yet returned it and have not yet been offered a face-to-face assessment, should do. As one of our caseworkers explains:

"I had to call the Centre for Health and Disability Assessments to double check that if a client misses the ESA50 deadline, they would not be penalised."

As medical professionals come under more pressure over the coming weeks, it is unreasonable to expect they will be able to provide medical evidence to support a claimant's benefit application. DWP should extend the time requirements for claimants to return paperwork and to gather medical evidence where necessary – and more weight should be given to this evidence. The postal service is also experiencing substantial delays so forms will likely reach ESA after the deadline, despite the claimant sending them back in good time. Clients are rightly anxious of not getting their forms back in time as this will usually result in their claim being closed. DWP needs to explicitly say that existing ESA claimants will not have their claims closed during this period.

Given the long-term disruption that COVID-19 will cause, we would also like to see DWP extend the provision of current benefit awards from three to 12 months.

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?

As we raised with the Committee in an oral evidence session on the 18th March, thousands of people request a Mandatory Reconsideration (MR) each month after being refused their benefit. This process already has many delays, taking around 10 weeks, but as focus is directed towards responding to the pandemic, it is likely that people will be left out of pocket for much longer. It is also even harder than usual to get through on the ESA phone line to chase these up, waits can be up to two hours. This is why we are calling for all disabled and seriously unwell people whose claim for ESA has been disallowed to be immediately provided with the assessment rate while they are waiting for the outcome of their MR. This should be given as soon as the MR is requested so that people don't face the potential of living without income for 10 weeks or more. A similar assessment rate of PIP should be created for disabled people awaiting an MR decision on this benefit.

Regarding the appeals process, our caseworkers asked for paper hearings for cases that had already been given dates from mid-March, and this was agreed with HMCTS. However, all hearings were since postponed. We received updated guidance from HMCTS on the 15th of April outlining how urgent hearings, and appeals which were previously heard by a three person panel, will be decided remotely. However, this guidance makes no provision for people who already had a hearing date, or people whose hearings aren't deemed as urgent. What's more, HMCTS hope to be able to hear approximately 50 weekly District Tribunal Judge led sessions, which is roughly 20% of a pre-Covid19 comparable week. We are concerned about what this updated guidance and reduced capacity will mean for the appeals process. Three quarters of people appealing the DWP's decision that they are fit for work are successful in getting this original decision overturned at tribunal. This guidance and the backlog of hearings that will ensue, means that many people will be left without the benefits they are entitled to for an even longer period of time than the already unacceptable wait.

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

Existing benefit claimants on Job Seekers Allowance (JSA), Employment and Support Allowance (ESA) and Income Support (IS), will only get the increase of just £1.25 a week that was announced before COVID-19, not the £22 a week increase that those on UC and Working Tax Credits (WTC) will get. For

Z2K, the fact that anyone could conceive this two tier distinction is incomprehensible. This is not only the long-term unemployed who appear to be worth less to ministers - it includes those on Contribution-based JSA too, many of whom have been paying National Insurance for years.

When the Committee asked the Work & Pensions Secretary of State about this in an oral evidence session on the 25th March, she said *“our focus is on new claimants”*. The Permanent Secretary then told the committee JSA and ESA weren't going up as much because that couldn't be done as easily as with UC. Even if that were actually true, it is no justification for not doing it a month or so down the line. We urge the committee to press the Secretary of State on this point again.

This COVID-19 pandemic has created a two-tier welfare state – it is vital that financial parity between both existing claimants and new claimants is introduced.

Many existing claimants are not computer literate and reliant on support from their work coach at the job centre, who they now cannot access. This is why it is especially important, as outlined in our response to question 8, that existing claimants have the reassurance that they will be updated about any changes to their claim via other mediums than just online, such as postal.

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

Whilst this increase to the UC standard rate and WTC provides welcome additional support, it is still not proportional to the cost of living. What's more, the fact that it doesn't apply to those on JSA, ESA and IS, takes the deserving and undeserving poor mentality to new depths.

Many of our clients on disability benefits are facing increased costs as a result of COVID-19, with some having to pay for taxis to get to the pharmacy or shops due to not being able to get on the priority list for food deliveries. There are also reports of shops increasing the prices of certain products in light of stockpiling, and clients have reported spending more on energy bills, due to an increased amount of time spent at home, or other members of their household being at home more than they normally would. Those on disability benefits who have not had their allowance increased by £22 a week feel left behind, and worried about not being able to cover this increased cost of living.

For the many people who depend on foodbanks, as a result of their benefits not paying enough, feedback from our clients is that there is limited stock at the moment and people are struggling to get what they want.

Artificial caps on benefits, such as the Two Child Limit and the Benefit Cap, also continue to push people below the breadline. Those living in the private rented sector who are already hit by the Benefit Cap won't see any of the increase in Local Housing Allowance (LHA) rates, so will still be unable to pay rent, and there are UC claimants who aren't benefitting from the increased standard allowance due to the Benefit Cap. Benefit capped claimants are sometimes left with no money at all after housing costs and are unable to move to cheaper accommodation or seek work in this climate. This is why we are calling for a complete suspension of these caps.

This increase of LHA rates to the 30th percentile of local market rents is welcome. However, this new rate still does not cover rents in many areas, and many more unemployed tenants will be struggling to pay rent, or to top-up their Housing Benefit, leading to rent arrears. This is why we believe the Government should raise LHA rates to the median of market rents and increase this year's funding for Discretionary Housing Payments for those tenants still left facing shortfalls.

Many people will also be subject to deductions from their already limited benefit payments during this period. While we welcome the Government's decision to suspend recovery of UC and legacy benefit overpayments, Social Fund loans and Tax Credit debts, people who are repaying UC Advance Payments are still seeing deductions to their UC standard allowance. DWP must suspend all

Advance Payment repayment deductions. Now more than ever, people need the state to be providing them with full support, not syphoning off their already limited income.

Are there groups of people who need support but aren't able to access it through the benefits system? What should DWP be doing to support those people?

People without Recourse to Public Funds, including those experiencing COVID-19 symptoms, are being forced to work in order to cover the cost of living and rent, putting themselves and everyone else at risk. All benefits must be made available to people with No Recourse to Public Funds.

The Government must also do more to support people who suffer from mental health issues. This should include providing funding to mental health charities and counselling services, in the same way that they are to private enterprise businesses, to ensure their ability to continue providing a service – albeit via telephone – to the many people, both on disability benefits and not, who depend on their support. The Government should also provide guidance on how to manage mental health more generally in this current circumstance that goes beyond exercise and eating healthily.

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?

As we outlined in our response to question 8, as a charity that provides advice there is not enough guidance from the DWP on how COVID-19 changes impact on existing benefit claimants at the various stages in their claims. Many claimants are turning to charities like Z2K for support, and our caseworkers are having to spend a lot of time calling the DWP and its outsourced providers to get answers. This is not an effective use of time or resource. As one of our caseworkers explains:

"I called the Health Assessment Advisory Service to get advice about downloading the ESA50 form and was supplied with an email address to send the form to, and what to put in the subject line – but I only got that by calling them."

It would be much better if DWP made available clear guidelines on what to do in each of the different scenarios benefit claimants could face as a result of COVID-19 changes to the Social Security system.

Another issue that our caseworkers are experiencing is that the UC phone line will not speak to advice agencies using 'implicit consent', so it's impossible to resolve issues over the phone as we do not have clients with us and there is no mechanism for us to send in a form of authority. The UC phone line needs to be relaxed so that advice agencies can discuss clients' cases by phone. This is particularly pressing for clients who do not have access to their UC journal and cannot go to the job centre.

ⁱ<https://www.gov.uk/government/news/don-t-call-us-we-ll-call-you>

ⁱⁱhttps://publications.parliament.uk/pa/cm201719/cmselect/cmworpen/1884/188408.htm#_idTextAnchor067