

## Written evidence from medConfidential [SWP0082]

### medConfidential briefing on Work and Pensions Committee Evidence Session on 23rd April 2020

1. In evidence to the Committee on 23rd April, Mr Neil Couling at [9:54](#) said:

“The reason why we’re able to do so startlingly well on claims ... is because of the automation in the system.

If you wanted to block defer the recovery of advances, that’s all automated in the system, so **we’d have to** strip out the automation and put human beings onto doing those deferrals...”

2. **Was that last statement true?** Is it really the case that DWP *has* to do so?
3. No one disputes that this would be *one* way to do it; few may dispute that it would be the *most expensive* way to do it – but neither of those are what Mr Couling said. He said DWP would *have* to, which is simply not true.
4. As with many statements from DWP about Universal Credit, what Ministers and officials frame as the *only* choice is in fact a false choice. Mr Couling continued:

“So it’s a choice between de-automating the system and giving humans a lot more new tasks to do, or keeping automation in the system and allowing the new claims to all get paid.”
5. As independent technical experts, with many years experience investigating and holding to account large-scale information systems across government, we would expect that the “continually evolving”, “agile” Universal Credit system *could* automate such changes, likely with a single deployment. We know, for example, that NHS and GDS digital services have deployed hundreds of times in recent weeks – including building entirely new services. That is to the deep credit of those services, which include GOV.UK Verify.
6. **If UC is as ‘automated’ as Mr Couling claims, why cannot – or has not – DWP automated payment recovery processes across the entire system?**
7. **If UC is ‘supporting claimants’ as much as DWP has stated, but the Department is technically incapable of digitally automating that particular process, why could it not be a task performed by the “named case manager who owns that case” – via a single click, when they’re already looking at the case – without moving any other humans from ongoing tasks?** (In such cases, the “named case managers” would be doing what is known as “assisted digital” fixes.)
8. **If UC wishes to involve the claimant, and if UC is as ‘responsive’ as DWP claims, this process could also be handled via a request in the claimant’s Journal, managed by the “named case manager”. Why was this not considered?**

9. **If UC wished to make life harder for everyone, then it could require a phone call, as a result of which the “named case manager” would then ‘press the button’ for the claimant. Why was this not considered?**
10. DWP has an existing process through which people can apply to DWP for a 3 month repayment break; DWP decides whether they deserve it, and then manually applies that decision. After DWP has chosen to grant that break to a person, the monthly pause in repayment of advances is entirely automated. (This can be thought of in terms of ‘setting a flag’ on that person’s UC account that can be taken account of by the regular calculation processes.) It is unclear why DWP could not utilise the ‘flag’ than is currently set by its manual process and grant that break to everyone – simply by automating the setting of the flag on every account, and allowing the existing automation to manage things from there.

### **“The Biggest Reason” – A Question for HM Treasury**

11. The Minister for Welfare Delivery opened his answer about turning UC advances into non-repayable grants for the duration of the crisis, or suspending repayments (as per tax credit overpayments, social fund loans, etc.) by saying:

“We looked at all options at the very beginning ... Even if we were able to secure the **£2.2 billion a year** it would require to do that, it is not operationally deliverable. That is the biggest reason, amongst many others, **why it wasn’t even really considered as an option... because it isn’t operationally deliverable, it isn’t something we considered.**”

12. HM Treasury may have previously been the reason why DWP did not make advances routinely refundable, but the COVID crisis means that DWP should have checked with Treasury again, especially before blaming HMT for DWP’s own decision not to do so. **When did DWP check with Treasury?**
13. When HM Treasury said it would do “whatever it takes” to get through the crisis, was DWP not listening? Does HMT believe it is wise or politic, having got the numbers down to 30% earlier this year, to put 60% or more of UC claimants into debt with a Department that apparently disregards or refuses to consider anything that might undermine what seems increasingly like an ideological position?
14. The Minister may have been inadvertently clearest when answering that question when he pointed to HM Treasury as “the biggest reason”, because none of the ‘technical’ reasons given are anything other than DWP’s own choices.

### **Background**

The consequences of the COVID crisis will go on for years; long after the initial health service response, the social pieces will need to be picked up by UC / DWP, for as long as it takes. But

DWP's current culture seems entirely unfit to resolve fundamental issues that will only increase over time.

The 'social safety net' is Universal Credit during the initial impact of the 2019/2020 coronavirus pandemic – and one million people *in a week* were able to sign up to the digital service.<sup>1</sup>

Some government and public services have responded to COVID-19 with institutional flexibility and a focus on the delivery of their public task for their users – most notably GDS and NHS digital services, i.e. NHS Digital, NHSX, et al. Initially, DWP (Digital) took the alternate approach of *changing almost nothing in the UC digital pathway*, and instead only moved staff between call centres. (Only in week two of full lockdown did DWP start changing minor steps in its workflow.<sup>2</sup>)

At the time of writing there are currently around 1.5 million people in various queues within DWP, waiting for a payment. While the first publicly visible queue (the GOV.UK Verify ID process) was cleared within 24 hours – and while moving people through any particular step faster is clearly helpful – clearing a surge in numbers at one step simply leads to another queue at the next step, and the next; all of which are now hidden within DWP. medConfidential has long experience with Verify – where it works and where it struggles – and notes the systemic flaws in UC's digital implementation that DWP will blame on anyone but DWP.

### **The COVID crisis offers insights into DWP's manual processes hidden within the five week wait**

If UC had to pay all applicants *some* money the day after they applied, the various failures DWP has hidden behind the 'five-week wait' would be far more starkly illustrated. This wait allows UC to ignore broken processes internally, because – under 'normal' conditions – it leaves DWP time to paper over the cracks.

Giving evidence on the 23rd April, Mr Couling suggested that fraud was endemic in advances. Even if DWP's claim was true, does DWP not have confidence in its ability to reclaim payments in future (as it is doing for past DWP payments it believes should be reclaimed now).

The current surge in applications may provide evidence of where those failures are, most notably in the 'historic deduction repayments'<sup>3</sup> process. If the assessment were a fully

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<sup>1</sup> While we cover problems with the digital service in this document, physical offline mandatory processes are posing a significant health risk:

<https://twitter.com/neilcouling/status/1247848823713665025?s=21>

<sup>2</sup> <https://www.express.co.uk/finance/personalfinance/1266181/universal-credit-dwp-overpayment-recovery>

<sup>3</sup> historic deduction repayments are also known as 'necrodebts' are the specific colloquial term for money DWP wishes to reclaim from records in long-dead systems of both DWP and its predecessors. The requirement to recover them was written into DWP's business case for UC, as enforced by Treasury. Necrodebts are akin to, but different from, Australian 'robo-debts' which were automated guesses of what should be reclaimed. Australia's was a fully automated system; necrodebts appear to be a largely manual system – both are symptomatic of both Governments' approach to the social safety

automated process, it would be treated like the return of advances; removing the measurement two weeks into lockdown “suggests” a staffing issue.

Given the volume of claims, we will likely see other failures or abandonment of processes *if we choose to look for them.*

**We suggest the Committee ask how many DWP staff are normally deployed on calculating historic deductions and what those staff have been redeployed to do.**

If (say) 5000 staff were transferred from finding historical deductions; how much money do those staff recover per week, and how much does it cost DWP to deploy that many civil servants? Is this an effective use of public funds?

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