

## Annex 4A: Immediate Covid response

### Things the DWP and/or Government changed...

- The amount of benefit was increased, by HM Treasury;<sup>1</sup>
- Job seeking conditionality was suspended,<sup>2</sup> (following the HMT budget<sup>3</sup>);
- Sanctions were halted for three months,<sup>4</sup> (again following the budget);
- ESA 'in person' was suspended for three months;<sup>5</sup>
- As were other measures relating to the closure of JobCentres;<sup>6</sup>
- The £16,000 limit for the self-employed, but not for others, was paused (by HMT) until Spring 2021;<sup>7</sup>
- Later, some 'necrodebts' were paused;<sup>8</sup>
- And, during the pandemic, the five week wait was the focus of a Commons' Work and Pensions Committee inquiry:
  - W&P C'ttee is looking at "technically feasible & financially affordable"<sup>9</sup> alternatives;
  - Despite DWP claiming changes would "cost at least £7.5m and require thousands of calculations to be administered manually";<sup>10</sup>
  - Meanwhile, CPAG wins its UC calendar case at Court of Appeal;<sup>11</sup>
  - And DWP caves, accepting that DWP must correct the feature.<sup>12</sup>

It is notable that many of these changes have been done 'to' DWP, rather than being driven by DWP itself.

---

<sup>1</sup> Chancellor Rishi Sunak's updated statement on 20/3/20: <https://www.gov.uk/government/speeches/the-chancellor-rishi-sunak-provides-an-updated-statement-on-coronavirus>

<sup>2</sup> Initially until November 2020, under Sections 6 & 7 of the The Social Security (Coronavirus) (Further Measures) Regulations 2020: <https://www.legislation.gov.uk/uksi/2020/371/contents/made>

<sup>3</sup> <https://www.gov.uk/government/news/coronavirus-support-for-employees-benefit-claimants-and-businesses>

<sup>4</sup> Letter from the Secretary of State, Thérèse Coffey, to the Work and Pensions Committee, on 25/3/20: <https://publications.parliament.uk/pa/cm5801/cmselect/cmworpen/correspondence/SoS-to-WPSC-Chair-Follow-Up.pdf>

<sup>5</sup> See Thérèse Coffey letter to Work & Pensions Committee, 25/3/20, *ibid*.

<sup>6</sup> See Harris, Fitzpatrick, Meers and Simpson, 'Coronavirus and Social Security Entitlement in the UK' (2020) 27(2) *Journal of Social Security Law*: <https://ssrn.com/abstract=3607312>

<sup>7</sup> Rishi Sunak, Budget speech, 11/3/20: <https://www.gov.uk/government/speeches/budget-speech-2020>

<sup>8</sup> See, e.g. *medConfidential* evidence to Work & Pensions Committee, 23/4/20: <https://committees.parliament.uk/writtenevidence/5050/html/>

<sup>9</sup> <https://www.theguardian.com/society/2020/jun/22/stephen-timms-universal-credits-five-week-delay-is-indefensible>

<sup>10</sup> <https://www.theguardian.com/society/2020/jun/22/universal-credit-rules-irrational-and-unlawful-judge-says>

<sup>11</sup> <https://cpag.org.uk/news-blogs/news-listings/court-appeal-finds-dwps-treatment-earnings-under-Universal-credit>

<sup>12</sup> <https://www.theguardian.com/society/2020/jun/25/dwp-abandons-legal-battle-to-avoid-fixing-universal-credit-design-flaw>

The most immediate changes were all at the behest of the Treasury, and were announced by Treasury – making it clear that Universal Credit *can* change things that DWP has previously refused to change.

The issue is entirely a matter of will; if the Treasury will fund it, DWP will do it.

Change is not, therefore, a question of capacity in DWP – but more a question of DWP's, or Treasury's, willingness to pay. The difference in such political commitments has been illustrated elsewhere, such as in the political opposition (followed by a u-turn) to funding food for children on free school meals on the one hand (cost: £120m<sup>13</sup>), and the 'eat out to help out' scheme on the other (cost: £500m<sup>14</sup>).

That some parts of DWP's 'payment reclaim' system have been paused because they were simply unable to cope with the volume of work, but that other parts – which were fully automated – were not paused, remains fundamentally a *political*, not a technical choice.

### **...and things DWP didn't change (yet)**

At the time of writing,<sup>15</sup> other choices made by DWP remain unrevised, for example:

- DWP continues to refuse to consider a fortnightly payment process in England and Wales, despite offering this as an option in Scotland – plus other levels of 'granularity';
- advance payments are still reclaimed immediately, so the first experience most people have of UC will be getting into debt;
- Housing Benefit & Council Tax interactions;
- Statutory Sick Pay is still insufficient to live on, as confirmed by the Secretary of State for Health and Social Care;<sup>16</sup>
- Home Office mistakes with regard to settled status remain, and will only be compounded by DWP's choices in UC;
- the Alternative Payment Arrangements (APA) payment holiday; and
- the commencement date for the two child limit.

Richard Pope's report<sup>17</sup> outlines Universal Credit as a modern – albeit "hyper means-tested" – social safety net implementation, showing how the holes in that safety net are often due to deliberate choices and official decisions, not technical necessity.

---

<sup>13</sup>

<https://schoolsweek.co.uk/government-sets-up-covid-summer-food-fund-after-free-meal-vouchers-u-turn/>

<sup>14</sup> Table 1 <https://www.gov.uk/government/publications/a-plan-for-jobs-documents/a-plan-for-jobs-2020>

<sup>15</sup> August 2020

<sup>16</sup>

<https://www.independent.co.uk/news/health/coronavirus-uk-statutory-sick-pay-matt-hancock-question-time-covid-19-a9413821.html>

<sup>17</sup> <https://www.parliament.uk/business/committees/committees-a-z/commons-select/work-and-pensions-committee/news-parliament-2017/sos-dwp-response-to-coronavirus-evidence-19-21/>

## Insights into DWP's manual processes hidden within the five week wait

DWP's rigid commitment to the 'five week wait' for UC makes hiding failures of process far more possible. If UC had to pay all of the 1 million+ people who are in a queue somewhere in its processes right now some money next week, the agglomeration of failures its systems are riddled with would be far more starkly illustrated.

The five week wait allows DWP UC to ignore broken processes internally because, under 'normal' conditions, it leaves it time to paper over the cracks.

The surge in applications during the pandemic may provide evidence of where those failures are – and already has, most notably in the necrodebts<sup>18</sup> process outlined above. If this had been a fully automated process, it could have been removed later; removing it just two weeks into lockdown "suggests" a staffing issue...

Given the volume of claims continuing, we will likely see other failures and/or abandonment of processes *if we choose to look for them*. This will require others seeking specific answers, e.g.

**How many staff are normally handling necrodebts, and what have those staff been redeployed to do?**

**If (say) 5000 staff were transferred from tracking down necrodebts, how much money do those 5000 recover per week, and what do 5000 DWP civil servants cost to run?**

DWP has already publicly confirmed<sup>19</sup> that it has a process to reclaim any funds which are paid out 'now', that will be reclaimed in future where payment was inappropriate. Such 'unworthy' claimants could get funds that will be returned to HMT in the future, allowing for faster access now. Indeed, any larger payouts made without UC requirements could be paid as an advance on the person's State Pension.<sup>20</sup>

There is going to have to be legislation on a range of COVID-19 'cleanup' issues; we see no reason why a Universal Credit cleanup cannot or should not be included within that process.

---

<sup>18</sup> '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 each Governments' approach to the social safety net.

<sup>19</sup>

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

<sup>20</sup> <https://medconfidential.org/wp-content/uploads/2020/03/money-to-people-next-week.pdf>