

#### **BRIEFING PAPER**

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# Coronavirus: Withdrawing crisis social security measures

By Frank Hobson



- 1. Changes to social security during the crisis
- 2. Reopening and plans for recovery
- 3. Details of changes and proposed withdrawal dates



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## **Summary**

This Commons Library Briefing Paper outlines the social security changes made by the Department for Work and Pensions (DWP), and other Government departments, in response to the coronavirus crisis, as well as expectations for their withdrawal and plans for the economic recovery.

Many policy issues touched upon in this paper are fast-moving areas which are subject to change. This paper should therefore be read as correct at the date of publication (30 April 2021).

The coronavirus outbreak, alongside the public health response to it, has had a dramatic effect on the UK economy, and will continue to do so. In the Spring of 2020, the consequences of the pandemic for household finances prompted the Government to make a series of changes to the rules and operation of the benefits system, alongside other measures such as the Coronavirus Job Retention Scheme.

Most of these changes, such as increases to benefit levels and the suspensions of workrelated conditionality, face-to-face meetings at Jobcentres, and disability benefit reassessments, were intended to be temporary. Several measures have been withdrawn since the Summer of 2020, but others have been extended or remain under review.

The Treasury-run Coronavirus Job Retention Scheme and the Self Employment Income Support Scheme have been extended to the end of September 2021. The DWP is responding to the additional public health measures announced in the Winter and looking ahead to the ending of restrictions currently planned for the Summer of 2021.

During this time, the DWP is adapting to the ongoing health crisis, managing a significantly higher number of benefit claimants than it anticipated at the beginning of 2020, and attempting to meet the challenge of helping people back into work.

This paper is a resource to help understand the expected process of withdrawing crisis social security measures and is split into three parts.

Section 1: Changes to social security during the crisis, which summarises changes made in the Spring of 2020, extensions and withdrawals of these measures, and the discussion surrounding them.

Section 2: Reopening and plans for recovery discusses DWP plans for recovery from the crisis, both in Summer 2020 after the initial surge in claims receded, and in the longer

Section 3: Details of changes and expected withdrawal dates, which provides two resources which are being updated periodically:

- An up-to-date table outlining major changes to social security made during the crisis, their expected withdrawal dates, and current status.
- A timeline of announcements relating to the withdrawal of social security measures, recovery planning, and related measures.

We cover developing policy, so the contents of this paper will be updated periodically and should be considered current as of the date on the title page.

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# 1. Changes to social security during the crisis

# 1.1 Summary of changes made in Spring 2020

The coronavirus crisis created multiple challenges for the social security system. Benefits have been expected to support people to isolate, shield, and to facilitate social distancing. Lockdowns throughout the UK, and the general reduction in economic activity, have had huge effects, resulting in some sectors closing altogether. The Treasury's Coronavirus Job Retention Scheme (CJRS) and Self Employment Income Support Scheme (SEISS) attracted a peak of more than 10 million claims, but significant new demand also fell on the existing benefits system.<sup>1</sup>

In the early stages of the crisis, the need to keep staff and claimants safe through social distancing combined with a surge in claims from mid-March to place huge operational pressures on the Department for Work and Pensions (DWP).

In response, the Government made a series of changes, both through new regulations and operational decisions. Most of these measures were explicitly designed to be temporary. Broadly speaking, they fell under the following categories:

- Increases to the level of some benefits Universal Credit and Working Tax Credit awards were increased by around £20 a week, and the amount available to support private renters was increased.
- Measures to facilitate social distancing and support those who need to isolate or shield – changes were made to Statutory Sick Pay, and to sickness and carer benefits in order to help people follow public health guidelines.
- **Temporary expansions of eligibility** rules were relaxed for some groups such as prisoners on temporary release and working claimants of tax credits whose hours were affected.
- Changes to assessments and Jobcentre appointments to allow social distancing – nearly all face-to-face interactions with Jobcentre staff and assessors were suspended, and disability benefit reassessments were paused.
- Suspending some features of the system in order to redeploy staff into claim processing features of the system requiring significant staffing resource, such as applying deductions to benefits for certain kinds of debt, were suspended.
- **Suspending conditionality** conditions such as meeting work-search requirements and attending regular interviews at jobcentres were temporarily switched off.

See <u>Coronavirus: Support for household finances</u>, Commons Library Briefing Paper CBP-8894, 22 June 2020, pp8-10 and <u>Coronavirus: Impact on the labour market</u>, Commons Library Briefing Paper CBP-8898, 18 December 2020

## Detail of the changes and their status at the time of publication can be found in section 3 below.

Following the introduction of these changes, campaigning groups argued for further measures to be taken. Early debate on these can be found in section 4.4 of <u>Coronavirus: Support for household finances</u>, Commons Library Briefing Paper CBP-8894, 22 June 2020.

In their first report on the DWP's response to the coronavirus outbreak, the Work and Pensions Committee paid tribute to DWP staff and ministers for their response to the crisis, particularly the success in ensuring new claimant s were paid on time, but went on to argue that more was necessary. This included extending benefit increases to recipients of legacy benefits, helping people excluded from claiming most benefits due to their immigration status, and changes to the benefit cap.<sup>3</sup>

Independent projects have also been monitoring people's access to benefits during the coronavirus crisis, notably:

- Child Poverty Action Group's <u>early warning system</u>, which collects case studies from frontline practitioners working directly with claimants on the problems they are seeing with the social security system.
- Welfare at a Social Distance, a national research project funded by the Economic and Social Research Council as part of UK Research and Innovation's rapid response to COVID-19.

Through to the time of publication of this paper, however, the UK Government has not introduced further social security measures on top of the ones it originally introduced in the Spring of 2020, besides some grant schemes.<sup>4</sup> Instead, some measures have expired, while others have been extended in response to the ongoing pandemic.

The following sections explore the decisions made since measures were first put in place.

# 1.2 Ending some staff redeployments after the initial peak in claims

As the number of Universal Credit declarations<sup>5</sup> declined from a peak in late March 2020,<sup>6</sup> the first measures to be reversed were those made in order to redeploy staff into claim processing. For instance, conditionality<sup>7</sup> and deductions to repay certain kinds of debt began to resume from July 2020.

<sup>&</sup>lt;sup>2</sup> The benefits and tax credits Universal Credit is replacing.

Work and Pensions Committee, <u>DWP's response to the coronavirus outbreak</u>, 22 June 2020, HC 178

<sup>&</sup>lt;sup>4</sup> Such as the Covid Winter Grant Scheme.

<sup>&</sup>lt;sup>5</sup> The first step in making a claim

See <u>Coronavirus: Support for household finances</u>, Commons Library Briefing Paper CBP-8894, 22 June 2020, p10

This change was also made in recognition that it was neither feasible nor desirable for people to undertake many ordinary work-related requirements in the early stages of the pandemic.

The DWP also resumed telephone and paper-based reassessments for disability benefits and reopened Jobcentres for some activities from July.

The process of reopening and adapting these features of the benefits system is explored in <u>section 2</u> below.

# 1.3 Extensions considered from the Autumn of 2020

By Autumn 2020 many measures had been withdrawn. At the same time, there was a significant increase in the number of new Covid-19 cases reported in the UK. The Government responded with additional public health measures, culminating in a third national lockdown in England and similar measures in the rest of the UK from January 2021.<sup>8</sup>

Some parliamentarians and campaigning groups pushed to extend certain social security measures throughout this period.

On 24 September 2020, the Chancellor acknowledged that "for at least the next six months the virus and restrictions are going to be a fact of our lives." He went on to outline a 'Winter Economy Plan' including a Job Support Scheme to succeed the Coronavirus Job Retention Scheme. This new scheme was originally planned to open in November, covering a proportion of wage costs where employees are working reduced hours. 10

With the announcement of the second national lockdown in England from 5 November 2020, the CJRS was extended until December. The Secretary of State for Health and Social Care also announced increased generosity to the ongoing Self Employment Income Support Scheme on 2 November. 11 Very soon thereafter, the schemes were extended again, this time until to the end of March 2021, 12 delaying any potential introduction of the Job Support Scheme. 13 On 17 December 2020, the Chancellor announced the CJRS would be extended to 30 April 2021. 14

However, unlike the 20 March 2020 announcement of the CJRS, which included increases to certain benefits, <sup>15</sup> the 'Winter Economy Plan' of 24 September and subsequent announcements extending Treasury-run schemes (until the March 2021 Budget) did not include any new changes to the pre-existing social security system.

Separately, however, changes designed to help people to follow public health guidelines and to expand eligibility, which were first planned to

Prime Minister's Office, 10 Downing Street and The Rt Hon Boris Johnson MP, Prime Minister announces national lockdown, 4 January 2021

<sup>9</sup> HC Deb 24 May 2020 c1153

<sup>&</sup>lt;sup>10</sup> HM Treasury, <u>Job Support Scheme policy paper</u>, withdrawn on 1 November 2020

<sup>&</sup>lt;sup>11</sup> HCWS549 2 November 2020

<sup>&</sup>lt;sup>12</sup> HM Treasury, <u>Government extends Furlough to March and increases self-employed support</u>, 5 November 2020

HM Treasury, <u>Furlough Scheme Extended and Further Economic Support announced</u>, 31 October 2020

<sup>&</sup>lt;sup>14</sup> HCWS 680 17 December 2020

HM Treasury, <u>The Chancellor Rishi Sunak provides an updated statement on coronavirus</u>, 20 March 2020

continue into the Autumn, were largely extended into the Spring of 2021.

Along with the imposition of new public health restrictions, there was some additional funding for particular coronavirus-related financial support measures, such as Test and Trace Support Payments, which are administered in England by local authorities on behalf of the Department of Health and Social Care. 16 The DWP also announced a £170 million package of support for Children and Families to provide services such as holiday activities and food. 17

#### By the end of 2020:

- The Treasury-run CJRS and SEISS had been extended to the end of April 2021. 18
- The suspension of the Minimum Income Floor for self-employed UC claimants was extended to the end of April 2021.<sup>19</sup>
- Measures to speed up and expand access to benefits, such as the removal of 'waiting days' in ESA where a claimant is affected by coronavirus, and the extension of eligibility for UC to prisoners on temporary release, which had both been due to expire in November, were extended to May 2021 through new statutory instruments.<sup>20</sup>

Some changes, notably the increased level of support available to private renters through the Local housing Allowance, were made permanently, or have no defined expiry date.

Beyond this, the future of most remaining crisis social security measures was left to the Budget in March 2021.

#### The future of the temporary increases to Universal Credit and **Working Tax Credit**

One issue which attracted particular attention was the status of the "temporary" increases to Universal Credit and Working Tax Credit in 2020-21.21

Parliamentarians from across the House including the former Conservative Work and Pensions Secretary Stephen Crabb, 22 Labour's Neil Coyle<sup>23</sup> and the SNP's David Linden<sup>24</sup> raised the issue in September 2020. The Treasury Committee, in its 11 September report on the 'Economic impact of coronavirus: the challenges of recovery', argued:

<sup>&</sup>lt;sup>16</sup> See Coronavirus: Test and Trace Support Payments, Commons Library Briefing Paper CBP-9015, 12 March 2021

DWP, New Winter package to provide further support for children and families, 8 November 2020 and Covid-19: Search funding for local authorities in England, Commons Library Data Dashboard, 17 February 2021

<sup>&</sup>lt;sup>18</sup> HCWS 680 17 December 2020

<sup>&</sup>lt;sup>19</sup> HCWS552 3 November 2020

<sup>&</sup>lt;sup>20</sup> See details in the table in section 3

<sup>&</sup>lt;sup>21</sup> See Opposition Day Debate: A Motion relating to Universal Credit and Working Tax Credit, Commons Library Debate Pack CDP-2021-0009, 15 January 2021

See for example <u>HC Deb 24 September 2020 c1163</u>, <u>HC Deb 15 September 2020</u> c173 and Huffington Post, Exclusive: PM Warned Not To Cut Furlough Scheme By Ex-Work And Pensions Secretary, 31 August 2020

<sup>&</sup>lt;sup>23</sup> PO 85056 10 September 2020

<sup>&</sup>lt;sup>24</sup> HC Deb 15 September 2020 c159

The Government has raised Universal Credit and made it easier to access. However these changes are time-limited for a year. The Government should consider extending the measures increasing the generosity and accessibility of Universal Credit put in place in March 2020.<sup>25</sup>

The Work and Pensions Committee also recommended that the Department:

...should commit to maintaining the increases in support that have been provided during the pandemic. This should include keeping Local Housing Allowance at the 30th percentile and conducting an annual review of rates to ensure they remain appropriate for each area. It should maintain the £20 a week increase in standard allowance for Universal Credit and Working Tax Credit, with annual inflation-based increases thereafter.<sup>26</sup>

In their November 2020 Economic and Fiscal Outlook, the Office for Budget Responsibility (OBR) estimated that the uplift would cost £6.1 billion in the 2020-21 financial year. The House of Commons Library estimated the total cost of continuing with the uplift throughout the whole of 2021-22 (compared to a baseline of not continuing with these after March 2021) to be around £5.8 billion a year.<sup>27</sup>

Campaigning organisations and think tanks expected that decisions about the future of temporary benefit increases might be made alongside normal benefit and pension uprating decisions in the Spending Review in Autumn 2020.<sup>28</sup> Many made a case at that time for retaining the increases and extending them to other benefits which were not covered by the original uplift.

The Joseph Rowntree Foundation (JRF) coordinated open letters calling on the Chancellor to "keep the lifeline," <sup>29</sup> signed by dozens of charities, campaigning organisations and religious figures. To support its case, in response to the 25 November Spending Review, the JRF provided an estimate for the impact of removing the uplift from April 2021:

Our new modelling shows that if the lifeline of the £20 uplift to Universal Credit is whipped away in April, 6.2 million families will see an overnight loss of £1,040 next year and around half a million more people, including 200,000 children, will be pulled into poverty.  $^{30}$ 

Several organisations also published analyses focusing on the impact on households of either retaining, or reversing, the benefit increases. In its October 2020 "Green Budget," the Institute for Fiscal Studies (IFS) used

<sup>&</sup>lt;sup>25</sup> Treasury Committee, <u>Eighth Report: Economic impact of coronavirus: the challenges of recovery</u>, 11 September 2020, HC 271, para 80

Work and Pensions Committee, Universal Credit: the wait for a first payment, 14 October 2020, HC 204, p43

This estimate was calculated using the <u>UKMOD</u> microsimulation model (version A2.0+, developed by the Institute for Social and Economic Research (ISER) at the University of Essex) and data from the <u>Family Resources Survey</u>.

Uprating decisions generally have to be made by late November in order to meet IT delivery deadlines. See <u>explanatory notes to the Social Security (Up-rating of Benefits) Bill 2019-21</u>, p4

Joseph Rowntree Foundation, <u>Joint open letter to The Chancellor - Keep the lifeline</u>, 30 September 2020

Joseph Rowntree Foundation, <u>Spending Review: No plan to protect people in poverty</u>, 26 November 2020

its tax-benefit microsimulation model to estimate the impact of the uplift on household types and income deciles. It found that:

Not surprisingly, the policy is clearly progressive: on average, it increases the income of the poorest 10% of households by 5%, with a fairly rapidly declining impact on each decile above that.<sup>31</sup>

In January 2021, Citizens Advice described the uplift as "one of the government's most successful pandemic policies" and noted the impact that withdrawal of temporary increases might have on people they help with debt problems who rely on benefits for some or all of their income. It commented:

At Citizens Advice, we've helped over 300,000 people with a Universal Credit issue since [the uplift was introduced]. Most striking has been the impact for those we've helped who have a 'negative budget' — people whose necessary outgoings exceed their income. They look at their bank balance at the end of the week and they simply don't have enough to make ends meet.

One of the main factors holding back financial ruin for many of these families is the uplift. If it was removed, we'd be seeing a much higher rate of Universal Credit and Working Tax Credit claimants not being able to afford basic necessities — increasing from 43% to 75%. 32

The Resolution Foundation provided a distributional analysis outlining estimated income losses for richer and poorer households of withdrawing the uplift:

[The] increase helped to offset – at least on average – the initial fall in incomes caused by the labour market effects of the virus for the lowest-income households. Now, the Government risks undoing this protection for the poorest families at a time when they need it most.

[...]

This benefits increase, costing £7 billion this year, is an expensive policy. But the case for continuing with it is very strong. The cut to UC this coming April will see over six million families worse off by £1,000 per year – that is almost twice the number of families that would have been affected by the, eventually reversed, tax credit cuts planned for 2016 [...] our current forecast [is] that poorest families will suffer a huge 7 per cent fall in income if the £20 per week increase is removed in April.<sup>33</sup>

Alongside the Spending Review on 25 November, the Secretary of State for Work and Pensions made a Written Statement on the statutory annual review of benefits and State Pension rates, which announced:

 An increase in working age benefits in line with the Consumer Price Index (CPI) – 0.5% in the relevant reference period.

Institute for Fiscal Studies, IFS Green Budget 2020: Chapter 8: The temporary benefit increases beyond 2020–21, 9 October 2020

<sup>32</sup> Citizens Advice, <u>The Chancellor has an important decision to make — he must keep the lifeline</u>, 15 January 2021

Resolution Foundation, <u>Safe harbour? Six key welfare policy decisions to navigate this winter</u>, 7 October 2020

 Maintaining in cash terms the 2020/21 increase to the Local Housing Allowance, but not uprating this or permanently reestablishing a link with market rents.

The Statement noted further that a separate assessment of the temporary £20 uplift to Universal Credit and Working Tax Credit, looking "at the economic and health context", would be made in the new year.<sup>34</sup>

Stephen Timms, the Chair of the Work and Pensions Committee, expressed concern that leaving the decision on the future of the uplift until 2021 would result in people "facing the Christmas period in agonising uncertainty, not knowing whether the Government will cut their income by £20 a week next April." This was echoed by over 60 charities, campaigning groups and religious figures, who were signatories to another Joseph Rowntree Foundation joint letter.

On 18 January 2021, the Labour Party called an Opposition Day debate on the future of the uplift.<sup>37</sup> The motion debated was:

That this House believes that the Government should stop the planned cut in Universal Credit and Working Tax Credit in April and give certainty today to the six million families for whom it is worth an extra £1,000 a year.

Conservative Members largely abstained and the motion was carried with <u>278 ayes and zero noes</u>.

Further background on the debate can be found in <u>Opposition Day</u> <u>Debate: A Motion relating to Universal Credit and Working Tax Credit</u>, Commons Library Debate Pack CDP-2021-0009, 15 January 2021.

After the Opposition Day debate was announced, some commentators made the case that the uplift should end at some point. Press reports also detailed resistance within the Government to permanent increases.

Commenting the day before the debate, Professor Len Shackleton, Editorial and Research Fellow at the free market think tank the Institute of Economic Affairs, argued that "across-the-board benefit increases are a wasteful use of taxpayers' money." He urged the Government to resist such demands for spending, arguing that they would result in higher taxes which would damage the recovery and "hit the poorest the hardest." 38

The Centre for Policy Studies argued that the uplift should be replaced by a temporary "coronavirus hardship element", which could be paid for the 6 months from April 2020 before being phased out. Some of the savings made from removing the uplift could, it suggested, be used instead to improve work incentives by cutting the Universal Credit <u>taper</u>

35 Stephen Timms MP, Chair comments on Spending Review, 25 November 2020

<sup>&</sup>lt;sup>34</sup> HCWS600 25 November 2020

Joseph Rowntree Foundation, <u>Coalition warns it would be a terrible mistake to cut the £20 uplift to Universal Credit</u>, 29 November 2020

See Opposition Day Debate: A Motion relating to Universal Credit and Working Tax Credit, Commons Library Debate Pack CDP-2021-0009, 15 January 2021, and (for the text of the debate) HC Deb 18 January 2021 c637

Institute for Economic Affairs, <u>Any extension of the Universal Credit uplift should not be made permanent</u>, says IEA expert, 17 January 2021

rate from 63% to 55%, and to uprate UC at 2.5% (rather than 0.5%) in April 2021. Taken together, CPS argued that these changes would cost around £3 billion a year<sup>39</sup> (around half of the estimated cost of maintaining the full £20 a week uplift for the whole year).

Media sources reported concerns within Government over the cost of making the uplift permanent. 40 Options reportedly discussed included making one-off payments, 41 retaining the uplift for the duration of public health measures then replacing it with more targeted support, 42 and "keep[ing] the present financial support." 43

### 1.4 The 2021 Budget

The Government announced a "roadmap out of lockdown" on 22 February 2021. This proposed loosening and eventually removing all coronavirus-related legal limits on social contact, subject to review. Some public health restrictions, however, would continue until at least 21 June, beyond the dates when the temporary increases and other measures had been due to expire. The announcement was accompanied by a promise to "continue to support families and businesses throughout the steps set out in the roadmap" with measures announced in the March 2021 Budget. 44

The 3 March 2021 Budget<sup>45</sup> extended the CJRS and SEISS, again, until September 2021 "to protect the jobs and livelihoods of the British people through the remaining phase of this crisis." 46

#### **Extending benefit increases**

In his Budget speech, the Chancellor also announced that the UC uplift would continue for a further six months, "well beyond the end of this national lockdown", with WTC claimants receiving instead a one-off payment of £500.47 The Government would then shift resources and "focus towards getting people into decent, well-paid jobs." 48

The reason for the one-off WTC payment is that tax credits are calculated on an annual cycle based on the tax year, so increasing payments temporarily for six months is less straightforward than in UC, where awards are calculated monthly.

The UC uplift is now set to end at the beginning of October 2021, shortly after the expected closure of the CJRS and SEISS in September.

<sup>39</sup> Centre for Policy Studies, The Universal Credit Uplift: The Way Forward, 24 January

See Boris Johnson faces anger from Tory MPs over planned welfare benefit cut, Financial Times, 18 January 2021

<sup>&</sup>lt;sup>41</sup> For example Rishi Sunak doubles one-off payment offer for universal credit claimants to £1,000, The Telegraph, 23 January 2021

The Sun, £20 BUMP TO STAY Universal Credit uplift set to be extended while Covid restrictions last and then given to the poorest, 25 January 2021

No 10 piles pressure on Rishi Sunak over universal credit extension, The Times, 22 January 2021

<sup>&</sup>lt;sup>44</sup> Cabinet Office, <u>COVID-19 Response - Spring 2021 (Summary)</u>, 22 February 2021

<sup>&</sup>lt;sup>45</sup> See HM Treasury, Budget 2021: documents, 3 March 2021

<sup>&</sup>lt;sup>46</sup> HC Deb 3 March 2021 c251

<sup>&</sup>lt;sup>47</sup> See HMRC, New one-off £500 payment for working households receiving tax credits, 3 March 2021

<sup>&</sup>lt;sup>48</sup> HC Deb 3 March 2021 c251

The total cost of the continued uplift and one-off payment of both benefits will be just over £3 billion.

Responding to the Chancellor's statement, Keir Starmer accused the Chancellor of having been "dragged, kicking and screaming, into extending the £20 uplift in universal credit." He went on to criticise the length of the extension, arguing it was "deferring the problem" and that ending it in six months would result in insecurity and a loss £1,000 a year for six million households. He announced that Labour's policy would be to keep the uplift until "a new, fairer system" could replace UC.49

Debating the Budget on 4 March, Conservative and opposition parties' MPs welcomed the extension of the uplift.<sup>50</sup> Some, including the Chair of the Work and Pensions Committee, Stephen Timms, expressed concern that a cut would come "just as furlough ends and unemployment reaches its peak." 51 Others, such as Mark Fletcher, were more supportive, pointing out that the uplift would continue "until we are out of the woods." 52

Many campaigning groups and think tanks welcomed the extension, but reiterated concerns about benefits being cut after six months.

The Joseph Rowntree Foundation said that withdrawing the increase would return the rate of unemployment support to its lowest real-terms level since 1990. It argued that alongside the closure of the CJRS and SEISS, and a peak in unemployment, the result will be a "Winter of hardship." 53

The Institute for Fiscal Studies pointed out that "The labour market isn't much stronger than it was this time last year, so there's a clear rationale for extending the UC boost a bit longer." It noted, however, that withdrawing the uplift completely will result in an "overnight" benefit cut of more than 20% for some. It argued further that clear advance communication will be crucial to help families adjust, and that a gradual taper would have been a "less troublesome" way to withdraw support.54

On the other hand, Professor Len Shackleton of the Institute of Economic Affairs expressed concern about the cost of this extension. He argued for "a more targeted approach" to providing support during the pandemic and suggested that the Chancellor should "be wary not to make this temporary measure a permanent commitment to welfare increases." 55

Others, such as Gavin Rice at the Centre for Social Justice, suggested that some of funds used for the uplift could be "reinvested elsewhere", such as by lowering the "taper rate" at which UC awards are reduced

<sup>&</sup>lt;sup>49</sup> HC Deb 3 March 2021 c264

<sup>&</sup>lt;sup>50</sup> HC Deb 4 March 2021 c423

<sup>&</sup>lt;sup>51</sup> Ibid <u>c440</u>

<sup>&</sup>lt;sup>52</sup> Ibid <u>c451</u>

<sup>&</sup>lt;sup>53</sup> Joseph Rowntree Foundation, <u>JRF Spring Budget 2021</u> analysis, 4 March 2021

<sup>&</sup>lt;sup>54</sup> Institute for Fiscal Studies, <u>Budget 2021</u>, 4 March 2021

<sup>&</sup>lt;sup>55</sup> Institute of Economic Affairs, <u>Budget 2021 response</u>, 3 March 2021

with additional earnings, and expanding the support offered to claimants.56

#### Other crisis measures

Beyond the temporary increases, some other social security measures were also extended in the Budget.

The reintroduction of the Minimum Income Floor (MIF) for selfemployed UC claimants was delayed a third time, to the end of July. This followed calls from the Social Security Advisory Committee for any reintroduction of the MIF to be "phased" and for claimants to be given advance notice. 57 The Secretary of State for Work and Pensions, Thérèse Coffey, has said the MIF will be reintroduced on an individual basis, and won't be a "big bang." 58 This is discussed further in section 2.5 below.

The Budget also extended one of the main changes linked to the furlough scheme. Claimants normally stop being eligible for Working Tax Credit if they are no longer working the necessary hours a week. During the pandemic the Government suspended this rule so that claimants could continue receiving payments "even if working fewer hours." <sup>59</sup> Along with the CJRS, the Budget extended this measure to the end of September.

If a UC claimant is in paid work, their award will be tapered away, eventually to zero. If someone's earnings reach £2,500 above the level needed to reduce the payment to zero in a single month, they will be treated as having <u>surplus earnings</u>. These can be counted in future awards, and therefore reduce UC payments for up to six months. The surplus earnings rule at its current level has affected recipients of SEISS grants, 60 who have been paid in single instalments of up to £7,500 covering three-month periods.

The Government previously planned to reduce the surplus earnings threshold from £2,500 to £300 from April 2021.61 Budget 2021 delayed this further, to April 2022.

More on the social security measures in Budget 2021 can be found in Budget 2021: Social security measures, Commons Library Insight, 9 March 2021.

#### Measures not included

The Budget did not mention some measures such as the removal of waiting days in ESA and treating ESA claimants affected by coronavirus as having a Limited Capability for Work. These had already been

<sup>&</sup>lt;sup>56</sup> Gavin Rice, The government should roll out Universal Support to provide wraparound support for those most at risk of long-term unemployment, Smart Thinking, 2 March 2021

<sup>&</sup>lt;sup>57</sup> Social Security Advisory Committee, <u>A review of the COVID-19 temporary measures:</u> occasional paper 24, 18 November 2020

Work and Pensions Committee, Oral evidence: DWP's response to the coronavirus outbreak, 3 February 2021, HC 178

<sup>&</sup>lt;sup>59</sup> HMRC, <u>Tax credits customers will continue to receive payments even if working</u> fewer hours due to COVID-19, 4 May 2020

Policy in Practice, How do the surplus earnings rules work in practice?, July 2, 2020

<sup>61</sup> HM Treasury, Budget 2020, 12 March 2020

extended until mid-May through Statutory Instruments. 62 But there was no public comment on the future of these measures until after the Budget.

One issue that received attention again following the Budget was the temporary increases not applying to legacy benefits. 63 Opposition MPs such as Stephen Timms, 64 the SNP's Alison Thewliss 65 and Liberal Democrat Work and Pensions Spokesperson Wendy Chamberlain<sup>66</sup> criticised this decision, echoing groups such as the Disability Benefit Consortium, who had been campaigning for the uplift to be extended to Employment and Support Allowance and other legacy benefits. 67

In response to Stephen Timms, the Secretary of State for Work and Pensions defended limiting the uplift to UC and WTC, arguing that it was meant to be focused on those who were newly unemployed:

[...] there was a specific reflection at the time of introducing the extra £20 a week uplift to recognise the issues regarding people who were newly unemployed. I am conscious that the right hon. Gentleman's Select Committee is undertaking an inquiry on people with disability and employment, and we will provide evidence in due course, when we can perhaps discuss that matter further.68

The broad situation immediately following the 2021 Budget could be summarised as follows:

- Measures, such as the suspension of certain deductions and conditionality, taken in part to redeploy staff and increase claim processing capacity and pause have expired.
- Temporary increases such as the UC and WTC uplifts and suspension of the Minimum Income Floor have been extended but are set to expire in the Summer and Autumn.
- Certain measures linked to the CJRS were extended until the end of September.
- Measures designed to speed up access to benefits and expand eligibility such as the removal of waiting days in ESA for people affected by coronavirus were set to expire in mid-May.
- After Spring 2020, excluding specific grants such as the **COVID** Winter Grant Scheme and Test and Trace Support Payments, the Government has not acceded to calls to introduce any significant new social security measures.

### 1.5 After the March 2021 Budget

Following the Budget, on 24 March 2021, The Chair of the Work and Pensions Committee, Stephen Timms, wrote to Thérèse Coffey to ask

<sup>62</sup> See table in section 3

<sup>63</sup> See more in Coronavirus: Increases to benefits payments, Commons Library Insight, 27 May 2020.

<sup>64</sup> HC Deb 4 March 2021 c440

<sup>65</sup> Ibid <u>c434</u>

<sup>66</sup> Ibid <u>c458</u>

<sup>&</sup>lt;sup>67</sup> Disability Benefits Consortium, <u>DBC's response to the Chancellor's Budget</u> statement, 3 March 2021

<sup>68</sup> HC Deb 4 March 2021 c428

about measures to speed up and expand access to and eligibility for some benefits. These included:

- The removal of 'waiting days' in ESA where a claimant is affected by coronavirus.
- Treating people claiming ESA who are affected by coronavirus as having limited capability for work.
- For people claiming Jobseeker's Allowance, continued entitlement if they, or child they are caring for, has Covid-19 or is self-isolating because of symptoms.
- The extension of eligibility for means-tested benefits such as UC to prisoners on temporary release, which were due to expire on May 2021.
- Allowing continued entitlement to Carer's Allowance during breaks in care if the carer, or the disabled person they care for, has Covid-19 or is self-isolating because of symptoms. 69

The Secretary of State responded on 16 April to confirm the extension of each of these measures into the late Summer and Autumn of 2021, beyond the existing plans for the end of public health restrictions:

I have considered this carefully but my intention is to extend the easements. My proposals are currently with SSAC for scrutiny but, subject to their response, I expect to extend the following three measures to 31/08/21:

- For people claiming Jobseeker's Allowance, continued entitlement if they, or a child they are caring for, has Covid-19 or is self-isolating because of symptoms;
- For Carer's Allowance, continued entitlement during breaks in caring if the carer, or the disabled person they care for, has Covid-19 or is self-isolating because of symptoms;
- Extending entitlement to means-tested benefits, such as Universal Credit (UC), to prisoners on temporary release.

I can also confirm that the two ESA measures [see above] will be extended until 12/11/21. I expect to lay the relevant Statutory Instruments before the end of this month.<sup>70</sup>

This letter exchange also confirmed the ongoing suspension of the Move to Universal Credit pilot (managed migration) in Harrogate.

Details and links to the relevant statutory instruments can be found below.

In March 2021 the DWP also made announcements about the resumption of some face-to-face disability benefit assessments<sup>71</sup> and returning Jobcentres to normal opening hours, albeit with still reduced

<sup>&</sup>lt;sup>69</sup> Letter from the Chair of the Work and Pensions Committee to the Secretary of State for Work and Pensions, 24 March 2021

<sup>&</sup>lt;sup>70</sup> Letter from the Secretary of State for Work and Pensions to the Chair of the Work and Pensions Committee, 16 April 2021

DWP, Face-to-face assessments to resume for health and disability benefits, 29 March 2021

face-to-face interactions. 72 The Covid Winter Grant Scheme in England was also extended until 20 June 2021.73

Some discussion has also continued abut the Universal Credit uplift beyond the coronavirus crisis. For example, the parliamentary group of One Nation Conservatives have advocated for the uplift to be made permanent, 74 matching similar calls from many opposition Members responding after the March Budget.

On 27 November, the High Court granted claimants of Employment Support Allowance permission to challenge the DWP's decision not to increase ESA in line with Universal Credit and Working Tax Credit. 75

Looking beyond the crisis, think tanks such as the Resolution Foundation have begun to think about what the social security system more widely should look like. They recommended that lessons should be learned from the "wage replacement" role the Treasury run schemes offered. Insurance-based, wage-related unemployment benefit schemes are a permanent feature of social security systems in most comparable countries, but not the UK.76

For discussion of how Universal Credit has fared during the crisis, and the debate around its future, see Coronavirus: Universal Credit during the crisis, Commons Library Briefing Paper CBP-8999, 15 January 2021.

<sup>&</sup>lt;sup>72</sup> DWP, Normal jobcentre opening hours resume from 12 April, 19 March 2021

<sup>&</sup>lt;sup>73</sup> HCWS914 14 April 2021

One Nation Conservatives, One nation pathway to recovery, 19 April 2021

<sup>&</sup>lt;sup>75</sup> Osbornes Law, <u>High Court Challenge To Denial Of Benefit Increases For Nearly 2m</u> People With Disabilities, 29 April 2021

<sup>&</sup>lt;sup>76</sup> Resolution Foundation, In need of support? Lessons from the Covid-19 crisis for our social security system, 29 April 2021

## 2. Reopening and plans for recovery

Looking forward, the DWP is preparing for a period of dramatically higher benefit caseloads, which will create medium-term challenges even as public health measures unwind.

The Treasury's Coronavirus Job Retention Scheme (CJRS) and Self Employment Income Support Scheme (SEISS) have been extended until the end of September 2021, but are still planned come to an end. At this point, more may make claims on the benefits system. The Office for Budget Responsibility's Economic and Fiscal Outlook (EFO) forecasts that following the closure CJRS and SEISS, unemployment will rise by 500,000 to a peak of 6.5% at the end of 2021.77 This is more optimistic than the 7.5% peak it predicted in November 2020, but still predicts a significant increase after the Treasury-run schemes end.

The total number of people on Universal Credit in Great Britain rose from around 3 million in March 2020 to just under 6 million in January 2021.<sup>78</sup> The claimant count for other unemployment-related benefits has also risen sharply since the crisis began.<sup>79</sup>

As explored above, the 2021 Budget set expiry dates on financial support measures in the months after public health restrictions are to be lifted. The Chancellor promised following this that "as the economy begins to recover, we are shifting our resources and focus towards getting people into decent, well-paid jobs."80

Ending crisis measures, such as the temporary benefit increases or the removal of waiting days in ESA, will simply be a matter of returning to previous practice. Some administrative and programming capacity will be needed to make these changes, 81 but there will not be an ongoing programme of work. Others, such as ending the suspension of conditionality or the Minimum Income Floor, or adapting disability benefit assessments, are considerably more complicated.

This section explores DWP efforts to move beyond the initial period of dramatically increased claim numbers and to prepare for a postpandemic world.

<sup>&</sup>lt;sup>77</sup> Office for Budget Responsibility, <u>Economic and fiscal outlook – March 2021</u>, 3 March 2021

<sup>&</sup>lt;sup>78</sup> Source: DWP Stat-Xplore People on UC and Starts to UC datasets (accessed March

<sup>&</sup>lt;sup>79</sup> See Figure 3 of DWP, <u>Alternative claimant count statistics January 2013 to</u> November 2020, 13 October 2020

<sup>&</sup>lt;sup>80</sup> HC Deb 3 March 2021 c253

<sup>81</sup> See discussion of the removal of the uplift in the Lords Economic Affairs Committee and Work and Pensions Committee, <u>Uncorrected oral evidence: Reports—Universal</u> Credit Isn't Working: Proposals for Reform, and, Universal Credit: the Wait for the First Payment, 9 March 2021, Q8

### 2.1 Staffing changes and getting people back into work

In the initial weeks of the crisis, plans were made for 10,000 staff to be redeployed within the DWP and from other departments in order to process the unprecedented numbers of claims. 82 Given the considerably higher than predicted caseloads and difficult economic conditions, the Department also began to hire new staff.83

As the rate of new claims slowed, the planned focus returned to 'business as usual', redeploying staff to their previous jobs and helping new claimants back into work. All of this has been made more challenging by social distancing requirements and the public health situation. Discussing these issues at the Work and Pensions Committee on 23 April 2020, Neil Couling, Change Director General at the DWP, said:

The complicating factor from a normal recession plan—and I have led various bits of the Department through a couple of recessions—is the social distancing. It constrains our ability to deploy recruits. We are going to have to use in the short term more digital means to help people into work and reach out across the sector to our colleagues who also provide help in this place to try to put some provision in place for individuals.

The task now is to disengage the emergency support we have put in and replace that with recruited staff and get the people who were doing important jobs before the pandemic back to doing those important jobs. The Minister for Disabled People was talking about the fewer numbers he has currently administering disability benefits. They have to go back to administering disability benefits.84

As plans for recovery developed, Thérèse Coffey, the Secretary of State for Work and Pensions, told the Lords Economic Affairs Committee on 2 June that the Department was looking at doubling the number of Work Coaches.

We have not quite got to that level of detail. I think we have about 13,500 now. There are different scenarios. I am not going to reveal all the different details, but we would probably be looking, in a worse-than-OBR-type scenario, at doubling that number. We still need to understand how the economy is going to reshape and bounce back, hopefully, or whether it is a slightly gentler glide back.

We anticipate that the interactions with universal credit claimants may be somewhat different from an era where we have had very low unemployment. Although vacancies are down, there are still vacancies.85

<sup>82</sup> HC Deb 4 May 2020 c421 and Q118 in the Work and Pensions Committee oral session, <u>DWP's response to the coronavirus outbreak</u>, 23 April 2020

See Q72 in the Work and Pensions Committee oral session, <u>DWP's response to the</u> coronavirus outbreak, 23 April 2020

<sup>&</sup>lt;sup>84</sup> Neil Couling speaking in the Work and Pensions Committee oral session, <u>DWP's</u> response to the coronavirus outbreak, 23 April 2020

Therese Coffey speaking in the Lords Economic Affairs Committee, The economics of Universal credit, 2 June 2020

This recruitment drive reverses a decade-long downward trend in DWP staffing levels, which had fallen from around 100,000 in 2011-12 to 72,000 by 2019-20.86

On 8 July 2021, The Treasury published its 'Plan for Jobs', confirming £895 million in additional funding to double the number of Work Coaches to deal with increased caseloads and 'enhance work search support.'87 The Plan for Jobs also included a wider set of DWP measures designed to tackle unemployment during and after the pandemic. Describing the DWP's 'Getting Britain Back to Work' plan, Mims Davies, the Minister for Employment, outlined the other key elements of the package:

Kickstart Scheme – a £2b fund to create hundreds of thousands of high quality 6-month work placements aimed at those aged 16-24 who are on Universal Credit and at risk of long term unemployment.

**Expanded Youth Offer** – increasing the intensive support offered to those 18-2488 in the Intensive Work Search group in Universal Credit. Further support will be available through Youth Hubs with specialist Youth Employment Coaches.

**Expansion of the Work and Health Programme** – to introduce additional voluntary support for those on benefits in England and Wales that have been unemployed for more than 3 months.

Flexible Support Fund (FSF) – increase the funding for the FSF by £150m to increase the capacity of the Rapid Response Service (RRS), supporting those facing redundancy.89

Expanding sector based work academies [SWAPs] – increase participation in our sector-based work academy programmes, offering training, work experience and a guaranteed interview. We will establish bespoke opportunities, working with employers and training providers to support claimants to fill job vacancies and pivot into new careers, including in priority sectors such as construction and social care.

**Job finding support service** – £40 million to fund additional capacity to introduce an online, one-to-one service to help those who have been recently unemployed. 90

In October 2020, the Government launched 'Job Entry Targeted Support' (JETS), which provides support for people who have been out of work for three or more months. Describing the scheme in the House on 19 October, the Minster for Disabled People, Health and Work said:

The scheme has £238 million of funding that is dedicated to helping people who have been out of work for three or more months and may be at risk of long-term unemployment. JETS will see a variety of providers work at our local jobcentre networks to offer a range of bespoke services, including important advice on how people can move into new, growing sectors, as well as help with CV building and interview coaching.

<sup>&</sup>lt;sup>86</sup> See National Audit Office, <u>Departmental Overview 2019-20: Department for Work &</u> Pensions, 13 October 2020, p7

<sup>87</sup> MH Treasury, <u>A Plan for Jobs</u>, 8 July 2020, p9

This is now open to a wider age group (18-24 year olds rather than 18-21 year olds)

<sup>&</sup>lt;sup>89</sup> The increased funding was not only to increase RRS support

<sup>90</sup> PQ 69565 9 July 2020

[...]

The JETS scheme started two weeks ago and is now live right across England and Wales, and we are contracting anew in Scotland. We anticipate that as JETS continues to roll out across Great Britain, it will help 280,000 of our claimants to find work and build the skills to pivot into new sectors if required. 91

The Chancellor provided detail on the spending on new DWP staff and schemes in the 25 November 2020 Spending Review. He also announced £2.9 billion over the next three years for a "Restart Programme that will provide intensive and tailored support to over 1 million unemployed people and help them find work, with approximately £0.4 billion of funding in 2021-22."92 On 11 January, the DWP published a policy paper outlining more detail on how the Restart scheme will work:

Referrals will be made over a 3-year period and Restart will benefit more than 1 million Universal Credit claimants who are expected to look for and be available for work but have no sustained earnings. The scheme will provide up to 12 months of tailored support for each participant. Early access can be considered on a case by case basis where conversations with a work coach suggest this is the most appropriate route for the individual.93

On 28 April 2021, the DWP updated the paper, publishing information on the providers who will deliver the scheme and announced that referrals would begin from 12 July 2021.94

Guidance for employers looking to take part in the Kickstart Scheme was published on 9 October 2020. 95 On 25 January 2021, the DWP provided an update on the programme, explaining that "[m]ore than 120,000 jobs for 16 to 24 year olds have now been created through the government's flagship Kickstart Scheme." 96 Fewer young people had benefitted from the scheme by that time, however, with 1,868 new starts by 15 January 2021.97

Opposition parties have criticised Kickstart for the allegedly low numbers of young people it is supporting. In his March 2021 Budget Response, Opposition Leader Keir Starmer said:

The Prime Minister says, "Rubbish." That is no doubt because the kickstart scheme is helping only one in 100 eligible young people—rubbish is the right word, Prime Minister. In six months, it has supported just 2,000 young people, yet youth unemployment is set to reach 1 million. Like so much of this Budget, the Chancellor's offer is nowhere near the scale of the task.98

On 8 March, the Secretary of State for Work and Pensions provided an update to the House, explaining that 4,000 young people had taken up

<sup>91</sup> HC Deb 19 October 2020 c735

<sup>92</sup> HM Treasury, Spending Review 2020, CP 330, 25 November 2020

<sup>&</sup>lt;sup>93</sup> DWP, How the Restart scheme will work, 28 April 2021

<sup>&</sup>lt;sup>94</sup> DWP, <u>How the Restart scheme will work</u>, 28 April 2021

<sup>&</sup>lt;sup>95</sup> DWP, Help employers with the Kickstart Scheme (Kickstart gateway), last updated 5 March 2021

<sup>&</sup>lt;sup>96</sup> DWP, <u>Kickstart moves up a gear with over 120,000 jobs created so far and</u> government making it even simpler for employers to join, 25 January 2021

<sup>&</sup>lt;sup>97</sup> PO 134537 19 January 2021

<sup>&</sup>lt;sup>98</sup> HC Deb 3 March 2021 c264

roles, and the scheme has been engaging more small and medium sized enterprises:

I am pleased to update the House that, after removing the threshold last month and allowing direct applications for any number of roles, we saw an increase of 3,000 employer applications throughout February, which is a jump of 75%. There will continue to be an important role for gateways as we progress to our ambition of 250,000 kickstart jobs, which we are well on the way to achieving, with almost 150,000 roles approved, more than 4,000 young people having started their roles and another 30,000 vacancies live right now.

[...]

My hon. Friend should be aware that we have account managers working in all parts of the country to take up this scheme. In particular, we continue to work with a wide range of organisations closely connected to SMEs, including chambers of commerce and the Federation of Small Businesses, to get the message out there and make it straightforward to apply. We should recognise that, due to eligibility criteria, not all direct applications may be successful, and the support of a gateway is likely to be beneficial. We are also enabling applications through the gateway plus model, which will particularly help sole traders, and we will continue to advertise that.99

As of 22 April, there over 93,000 jobs had been made available through the scheme, though 195,000 had been "approved". Of these, 16,600 iobs had been started. 100

In April 2020, the DWP announced further measures to support claimants into work. The new Train and Progress (TaP) scheme introduces greater flexibility. It extends "the length of time people can receive Universal Credit while undertaking work-focused study", and allows "those receiving UC and in the intensive work search group can take advantage of sector-specific training from digital skills to social care and engineering while receiving the financial support they need." 101

Plans were also announced for the recruitment of "150 specialist Youth Employability Coaches across the UK." 102

#### Reopening Jobcentres and reintroducing conditionality

At the end of June 2020, Thérèse Coffey announced that from July the Department would begin the process of reopening Jobcentres and "starting to return to normal" in order to "help people to get ready again for the world of work." 103 The first 4,500 new Work Coaches would work in existing Jobcentres, but accommodating further new Work Coaches might involve opening new Jobcentres<sup>104</sup> and reopening some that had closed in recent years. 105

<sup>99</sup> HC Deb 8 March 2021 c501

<sup>&</sup>lt;sup>100</sup> PQ186286 27 April 2021

DWP, <u>Universal Credit claimants TAP into employment</u>, 1 April 2020

<sup>102</sup> DWP, Specialist job coaches to help young people onto the jobs ladder, 8 April 2020

<sup>&</sup>lt;sup>103</sup> HC Deb 29 June 2020 c17

<sup>&</sup>lt;sup>104</sup> PQ 74611 29 July 2020

<sup>&</sup>lt;sup>105</sup> Neil Couling speaking in the Work and Pensions Committee oral session, <u>Universal</u> Credit: the wait for first payment, 15 July 2020, Q232

Although there have been problems in the recruitment process, 106 the DWP's target to recruit 4.500 new Work Coaches was met by 30 October, 107 and the Minister for Employment told the House on 30 November 2020 that 5,468 had been recruited since July. 108 In a 29 March 2021 letter to all MPs in Great Britain, the Minster for Employment confirmed that all 13,500 Work Coaches had been recruited. 109

As fresh public health restrictions were announced across the UK in the Autumn of 2020, the Department remained committed to keeping Jobcentres open. However, on 9 November it outlined new guidance on how Jobcentres were adapting to meet public health restrictions across the UK, putting in place social distancing measures and making use of online and telephone-based support. 110

As the November restrictions in England were replaced with local tiers in early December 2020, the DWP outlined rules allowing Jobcentres to remain open, but operating differently depending on local restrictions across the UK. 111

On 8 March 2021, Employment Minister Mims Davies provided an update to the House, explaining that the number of Jobcentres will have increased by the Summer to accommodate new staff and safely provide face-to-face support:

As part of our estates expansion and renewal programme, the DWP by Summer will have rapidly increased the number of Jobcentre Plus sites, placing them in new locations where they are needed. This will ensure that we bolster our face-to-face support in a covid-safe environment for both our claimants and our additional 13,500 new work coaches. 112

On 19 April, the DWP announced that Jobcentres across Britain would return to normal opening hours from 12 April onwards. 113 This does not mean that all normal face-to-face services will return to normal, but more groups are reportedly expected to come to the Jobcentre in person, including JSA customers, Universal Credit New Claims, 18 to 24 year olds, Interviews Under Caution and NINO interviews. 114 The Public and Commercial Services Union (PCS) expressed fears about the safety of this this decision, and announced a consultative ballot on strike action. 115

Along with the reopening of Jobcentres, conditionality and sanctions have also been reintroduced. The Government was careful to stress that it would take a 'phased approach' and that it would empower local

<sup>&</sup>lt;sup>106</sup> See Public and Commercial Service Union, <u>DWP Breach of Commissioner's rules for</u> Work Coach Recruitment - PCS advice, 17 December 2021

DWP, 4,500 new Work Coaches to join the frontline to help Britain build back better, 30 October 2020

<sup>&</sup>lt;sup>108</sup> HC Deb 30 November 2020 c12

<sup>109</sup> Letter from the Minster for Employment to all MPs in Great Britain

DWP, Jobcentre guidance on new national Covid restrictions, 9 November 2020

<sup>111</sup> DWP, Jobcentre quidance on COVID-19 Local Restriction Tiers, 27 November 2020

<sup>112</sup> HC Deb 8 March 2021 c504

<sup>&</sup>lt;sup>113</sup> DWP, Normal jobcentre opening hours resume from 12 April, 19 March 2021

<sup>&</sup>lt;sup>114</sup> PCS, ID Verification in Jobcentres – No Change to Guidance, 26 April 2021

PCS, <u>VOTE YES in PCS Safety Ballot</u>, 26 April 2021

staff to make appropriate decisions on work-related conditionality and sanctions.

To support our re-implementation of Claimant Commitments in July, we are issuing guidance to Work Coaches and Case Managers. We are managing this in a phased approach to deliver a tailored and effective service for our customers, recognising the individual and prevailing circumstances including COVID restrictions. We have not needed to issue new guidance on benefit sanctions. We trust and empower our job centre managers and Work Coaches to work with their customers appropriately. 116

While conditionality was suspended, people who made Universal Credit claims did not go through the normal process of drawing up a claimant <u>commitment</u>. On 9 July Mims Davies said that the DWP would therefore be "contacting claimants to introduce a personalised claimant commitment." 117 The initial approach would involve conducting "interviews by phone and testing a 30-minute commitment appointment." 118

A 'coronavirus special' edition of DWP's Touchbase magazine for advisers – issued on 3 July – stated:

We are working with local managers to start expanding our service offer in jobcentres to help get Britain back into work. Work Coaches are calling claimants – no one needs to contact us.

We don't want to sanction anyone. These are difficult, uncertain times for many people and we want to do everything we can to help them find work or increase hours, where that is possible for them. No sanction will be used until the claimant has an up-todate Claimant Commitment in place. After that, a sanction will only be used where a claimant has not provided good reason for meeting the agreed requirements in the Claimant Commitment. Claimants who are shielding, have childcare responsibilities because of COVID restrictions, etc. will have their Claimant Commitment tailored to reflect their circumstances and will not be asked to do anything unreasonable. 119

Expressing disappointment that they had not been able to influence the decision to reimpose conditionality, The Public and Commercial Services Union, which represents many DWP staff, disclosed some additional detail about the proposed timetable:

DWP have advised PCS that they will manage the reinstating of conditionality using a phased approach to ensure that they have the capacity to deliver an effective service to customers. Universal Credit will test the process for new claims from 1 July 2020 in three Jobcentres and from 8 July 2020 they will roll-out for all new claims. This means that the department will agree a Claimant Commitment for all appropriate new claims from that date and then deliver fortnightly interventions with them. They also advised that once implemented they will then design a process for current claims made during COVID-19 and implement, and then review existing claims made pre-COVID-19. They will then move to New

PO 68348 [on reintroducing conditionality] 7 July 2020

PO 69562 9 July 2020

<sup>&</sup>lt;sup>118</sup> PQ 69561 13 July 2020

Expanding our service offer in jobcentres, Touchbase magazine, 3 July 2020

Style JSA new claims from 22 July 2020 with all stock claimants following after that. 120

As of early December 2020, not all claimants had a new or updated claimant commitment and would "not be subject to conditionality until they have agreed [one]." The Minister for Employment also said that any sanction decisions would consider wider circumstances:

sanctions are only used when claimants fail to meet their conditionality requirements without good reason [...] work coaches will work to ensure that any requirements set are reasonable, taking into account the claimant's circumstances and, crucially, the situation in the local labour market, while allowing them to adhere also to public health advice. 121

The Social Security Advisory Committee (SSAC), in its review of the coronavirus social security measures, emphasised how important it would be for conditionality to be flexible in response to individual and local circumstances. It recommended that this should include further support for work coaches, and that the DWP "publish strategic policy guidance on what the appropriate flexibilities should be that work coaches can then implement through local discretion." 122

As a new national lockdown was introduced in January 2021, the Public and Commercial Services Union called for "a suspension of all conditionality and sanction activity, as happened in April." 123 The Minister for Employment later stated that "[t]here are no plans to reintroduce the suspension of conditionality and related sanctions for the January 2021 lockdown." 124

#### Low rates of sanctions

Though conditionality and sanctions were reimposed from the Summer, ministers and officials have pointed to low rates of sanctioning in recent months, and argued that the DWP is working hard to avoid imposing sanctions on people. Speaking to a joint session of the Work and Pensions and Lords Economic Affairs Committees on 9 March 2021. Neil Couling explained:

[W]hy did we switch [conditionality and sanctions] back on? The labour market was recovering and indeed businesses are adjusting to working in lockdown. I will give the figure: vacancies fell from 800,000 to 341,000 in April. There is little point to conditionality there and asking people to chase jobs that did not exist. As at the last month's figures they had recovered to 600,000.

A very careful, gentle reintroduction of conditionality was worth doing. The number of people sanctioned in October, for example, the last month before the second lockdown, was 101. That is 0.0004% of the people in the conditionality regime. I do know that you get heavily lobbied on conditionality, but I would draw your attention to the National Audit Office's report. In six months

<sup>&</sup>lt;sup>120</sup> Public and Commercial Services Union statement on Reinstating Labour Market conditionality, 29 June 2020

<sup>121</sup> HC Deb 19 November 2020 c741

Social Security Advisory Committee, A review of the COVID-19 temporary measures, 18 November 2020

<sup>&</sup>lt;sup>123</sup> Public and Commercial Services Union, Covid Update - PCS demands response from DWP, 6 January 2021

<sup>&</sup>lt;sup>124</sup> PQ 135959 14 January 2021

in 2015, 1 million people did not turn up for a Jobcentre Plus appointment, and 30,000 people were sanctioned for not turning up. That is 3%.

This is not a sanctions-happy organisation. A lot of checks are done before sanctions are applied. 125

### 2.2 Disability benefit assessments, reviews and reassessments

The crisis prompted significant changes to assessments and reassessments for health and disability benefits. These were either suspended or, where necessary, carried out without face-to-face contact. The Department gradually resumed reassessment activity from July 2020, and is also looking to learn lessons from these "forced changes" to assessment processes in its forthcoming Green Paper on health and disability support.

Face-to-face assessments for health and disability benefits such as Personal Independence Payment and for the Limited Capability for Work-Related Activity (LCWRA) element in Universal Credit were suspended for three months on 17 March 2020. A 6 July press release stated that "face-to-face assessments [were] to remain suspended, but [would be] kept under review."

Non face-to-face assessments continued, at a reduced pace, from March 2020. 126 During this period anyone with an assessment appointment was contacted to discuss next steps and alternative arrangements, which might involve telephone or paper-based assessments.

DWP also announced on 23 March 2020 that reviews and reassessments for all disability benefits were suspended for at least three months. Where benefit awards were due to expire, the DWP would extend end-dates so that people continued to receive their existing level of financial support. A 6 July press release stated that "Some review and reassessment activity [was] to gradually resume from July 2020 for Personal Independence Payment (PIP) and Disability Living Allowance (DLA)."

Speaking in Committee on 23 April 2020, Justin Tomlinson, the Minister for Disabled People, Work and Health clarified how the DWP was handling assessments and reassessments during suspension:

For those who would be due for reassessment in the next three months, we have automatically extended their benefit by six months. If their condition has deteriorated and they feel they would be entitled to more money, they can still request a reassessment but otherwise they are automatically extended.

For new claimants, the terminally ill and for those who ask for it, we are seeking to do it by telephone and by paper-based reviews, adopting a very sympathetic, claimant-supportive view of this

<sup>126</sup> PO 58015 17 July 2020

<sup>&</sup>lt;sup>125</sup> Lords Economic Affairs Committee and Work and Pensions Committee, <u>Uncorrected</u> oral evidence: Reports—Universal Credit Isn't Working: Proposals for Reform, and, Universal Credit: the Wait for the First Payment, 9 March 2021

because we recognise that there are increasing challenges to being able to get adequate medical evidence, so we are relying very much on the claimants' cases as they explain them. 127

As telephone and paper-based assessments have taken place, the DWP has adapted its practice. The 6 November edition of the Department's Touchbase magazine explained the evolving approach to Employment and Support Allowance and Universal Credit assessments, which tightened the rules around attendance:

From Monday 2 November, ESA and UC telephone assessment appointment letters will make it clear that claimants must attend their telephone appointment. [Failure To Attend] and [Failure To Participate] action will apply, e.g. benefit may be stopped (ESA) or entitlement change (UC), for those who have been issued with this letter and fail to attend or participate in their appointments without good reason.

No one will have their support stopped without being contacted first. People will be contacted to ask them to explain why they did not, or could not attend or participate in the assessment and where good cause is provided and accepted, support will continue. 128

Mr Tomlinson confirmed the ongoing suspension of face-to-face assessments on 25 January 2021:

Although face-to-face work capability assessments remain temporarily suspended, we are conducting paper-based assessments where possible. We have also introduced telephone assessments and are trialling video assessments. 129

On 29 March 2021, the DWP announced that face-to-face assessments would resume (alongside continued use of paper based and telephone assessments) for Industrial Injuries Disablement Benefit from April and for PIP and Work capability Assessments from May:

Face-to-face assessments for Industrial Injuries Disablement Benefit (IIDB) claimants will resume from 12 April 2021 in England and from 26 April in Scotland and Wales. Face-to-face assessments for Work Capability Assessments (WCAs) (for claims for the additional health amount of Universal Credit and Employment and Support Allowance) and Personal Independence Payment (PIP), will resume from May across England and Scotland and in Wales from the point on their roadmap when socialising indoors is allowed. 130

#### Learning from forced changes

In its review of temporary measures, the Social Security Advisory Committee identified making "determinations in an environment of social distancing" as one of the key challenges for the DWP. Whilst it noted that changes such as providing telephone assessments had

<sup>&</sup>lt;sup>127</sup> Justin Tomlinson speaking in the Work and Pensions Committee oral session, <u>DWP's</u> response to the coronavirus outbreak, 23 April 2020

<sup>&</sup>lt;sup>128</sup> Touchbase, <u>Update - Claimants must attend telephone health assessments</u>, 6 November 2020

<sup>129</sup> HC Deb 25 January 2021 c14

DWP, Face-to-face assessments to resume for health and disability benefits, 29 March 2021

worked well for some claimants, it also identified problems in dealing with complex cases and delays to decision making. 131

These temporary changes to disability assessments have coincided with the Government's 'Health Transformation Programme' through which it aims to develop a new integrated service, supported by a single digital system, for Personal Independence Payment and Work Capability Assessments, from 2021. The integrated service is intended to provide "a more joined up experience" for claimants. 132

In the weeks before the first lockdown, on 2 March 2020, Justin Tomlinson provided a further update on progress in creating a single assessment service with a single digital platform developed by the DWP. He noted that the Department would initially develop the new service on a small scale "in a defined part of the country, a Transformation Area." 133

The pandemic has interrupted these plans, but has also imposed "forced changes" to the assessment process – as noted above – from which the Department is planning to learn. Mr Tomlinson told the Work and Pensions Committee on 23 April 2020:

As a side issue, this is beneficial for us because we were due to publish the Green Paper that was looking at the assessment process and claimant experience, recognising there is anxiety among claimants, and what more we could do to reduce that. Through the forced changes we have had to do to handle the Covid-19 emergency, we are testing those. When we return to a normal state, there will be some valuable lessons about how we can better use medical evidence and oral evidence from claimants and increase the proportion of cases that are done as paper-based reviews. 134

In a further update on these plans on 9 July 2020, Mr Tomlinson issued a Written Statement which noted that while there had been no change to the Government's ambition to create a single integrated health assessment service underpinned by a single digital platform developed by the DWP, and to create a "Transformation Area" to test ideas and processes, the Department had to review its commercial approach. The statement continued:

We had previously announced that we would be undertaking a procurement exercise to establish contracts for conducting Work and Capability Assessments (WCA) and PIP health assessments from 1 August 2021. The impact of Covid-19 means it is not possible to launch that procurement at this time.

We recognise that it is vital for our claimants to have a safe and stable service. Consequently, my Department intends to explore options to extend the current contracts for up to two years, which will ensure continuity of services when the current contracts end on 31 July 2021. We will continue to review these extensions to

<sup>&</sup>lt;sup>131</sup> Social Security Advisory Committee, A review of the COVID-19 temporary measures, 18 November 2020

<sup>132</sup> HCWS1376 5 March 2020

<sup>133</sup> HCWS138 2 March 2020

<sup>&</sup>lt;sup>134</sup> Justin Tomlinson speaking in the Work and Pensions Committee oral session, <u>DWP's</u> response to the coronavirus outbreak, 23 April 2020

ensure we only extend for the time we need to effectively respond to the consequences of Covid-19.

The extension period will provide time to fully understand and evaluate the impacts of Covid-19 on these critical services, ahead of future procurements.

We recognise that there are positive lessons to be learned from our experience of delivering our services during Covid-19, and the changes we introduced. We are reviewing these and they will inform future delivery, where appropriate. We expect these to be reflected in our wider transformation plans, including the forthcoming Green Paper and subsequent policy decisions regarding the delivery of health assessments. 135

The full impact of the coronavirus crisis on assessments and decision making is not yet clear. SSAC has argued that in order to learn from experiences during the pandemic, "a better understanding of the impact of removing face-to-face assessments [and of] telephone assessment[s] on ESA and PIP case outcomes is required." It recommended:

DWP and DfC should produce – and publish – an evaluation of decision making in ESA, UC and PIP to include a comparative analysis of case outcomes for telephone, paper-based and face to face assessments. This is vital, given that face to face assessments are not likely to be resumed for all claimants in the immediate future. We see this as also contributing towards the lessons that the Department has said it hopes to learn that could be further explored in its forthcoming Green Paper on health and disability. An evaluation of recent decision making, including assessment outcomes and award recommendations, should also be conducted to ensure consistency and accuracy are maintained. 136

The switch to multi-channel assessments for disability benefits is to outlast the pandemic. Amending regulations were made March 2021 to allow assessments to take place by telephone or video for ESA, PIP and Industrial Injuries Disablement Benefit. 137 In a letter to the Social Security Advisory Committee, The Minister for Disabled People, Health and Work explained:

Prior to the Covid-19 pandemic, face-to-face assessments were predominantly used as a way to determine a claimant's eligibility to benefit however since the start of the pandemic, we took the decision to safeguard our claimants and staff by suspending faceto-face assessments. These changes to the regulations make clear that a range of different channels can be used to assess claimants based upon their individual circumstances and allow claims to be progressed when there are restrictions on face-to-face contact.

I understand that, at its meeting on 27th January the Committee raised some concern over the current evidence base. I would like to provide you with assurance that officials will share our

<sup>&</sup>lt;sup>135</sup> HCWS353 9 July 2020

<sup>&</sup>lt;sup>136</sup> Social Security Advisory Committee, <u>A review of the COVID-19 temporary measures</u>, 18 November 2020

<sup>137</sup> The Social Security (Claims and Payments, Employment and Support Allowance, Personal Independence Payment and Universal Credit) (Telephone and Video Assessment) (Amendment) Regulations 2021, SI 2021/230

evaluation plans with the committee and then return to discuss the findings when available. 138

## 2.3 Reintroducing the Minimum Income

The Minimum Income Floor (MIF) in Universal Credit treats some selfemployed claimants as if they have earned the National Minimum Wage for the number of hours per week they are expected to work. As discussed above, the suspension of the MIF was extended to July 2021 in the March 2021 Budget.

However, not all self-employed claimants will see a change overnight. Instead claimants will be contacted on an individual basis and 'conversations' about gainful self-employment will take place before the MIF is applied.

This followed calls from the Social Security Advisory Committee for any reintroduction to be "phased" and for claimants to have advance notice. 139 The Secretary of State for Work and Pensions, Thérèse Coffey, has said the MIF will be reintroduced on an individual basis, will not be a "big bang," and will remain effectively suspended for some:

The process even to reintroduce a minimum income floor will just take time. It will take months in its own right to get through that entire cohort. So, it is not a case of—like a big bang that would happen. It may be that at the point that we decide to remove it, people will still, in effect, have that individually suspended. As we go through the process of doing it, that's when changes will be made on an individual basis. That's my understanding of the process. It's not just a big-bang approach. 140

After these conversations, claimants may not have the MIF applied immediately since many will be entitled to <u>start-up periods</u>. The Budget 2021 policy costings document explains:

new claimants benefit from a 12-month grace period before the MIF is applied, and this grace period has been extended alongside the MIF suspension. 141

Consequently, most of the £90 million cost of delaying the reintroduction of the MIF will fall after the 2021-22 financial year.

<sup>&</sup>lt;sup>138</sup> Social Security Advisory Committee, <u>Correspondence: Minister for Disabled People</u>. Health and Work to SSAC: The Social Security (Claims and Payments, Employment and Support Allowance, Personal Independence Payment, and Universal Credit) (Amendment) Regulations 2021, 5 March 2021

Social Security Advisory Committee, A review of the COVID-19 temporary measures, 18 November 2020

<sup>&</sup>lt;sup>140</sup> Therese Coffey speaking in the Work and Pensions Committee, Oral evidence: <u>DWP's response to the coronavirus outbreak</u>, 3 February 2021, HC 178

<sup>&</sup>lt;sup>141</sup> HM Treasury, <u>Budget 2021: Policy Costings</u>, 3 March 2021

## 3. Details of changes and proposed withdrawal dates

### 3.1 Table of social security changes, expected withdrawal dates and current status

This table contains a list of major changes to the UK social security system made in response to the coronavirus crisis. It also outlines when they are expected to be withdrawn and notes their current status as of the date this briefing was published. Many of these changes have been implemented through new statutory instruments (secondary legislation), although others were operational changes announced by ministers.

Most of these changes relate to 'reserved benefits' and therefore apply across Great Britain (GB). Where changes were made by legislation, we have indicated their territorial extent. Where this is Great Britain-wide, it should be noted that corresponding and generally equivalent regulations have usually been made for Northern Ireland. Where applicable, we have also included specific changes relating to devolved benefits in Scotland.

We have not included one-off payments to local authorities such as the £170 million funding for the Covid Winter Grant Scheme in England.

Change made and territorial extent	Announcement or rule change	Expected withdrawal dates	Current status			
Benefit increases						
<b>GB:</b> Universal Credit standard allowances and ( <b>UK</b> ) Working Tax Credit basic element: increased by £1,040 per year.	The original 12-month uplifts were enacted through a statutory instrument and the Coronavirus Act:  Universal Credit standard allowances: The Social Security (Coronavirus) (Further Measures) Regulations 2020 (SI 2020/371).  This was extended until October 2021 by The Universal Credit (Extension of Coronavirus Measures) Regulations 2021 (SI2021/313).  Working Tax Credit basic element: Coronavirus Act 2020 section 77(1). One-	October 2021. The March 2021 Budget extended the uplift to Universal Credit for a further six months and introduced an equivalent one-off £500 payment for Working Tax Credit claimants.	Current			

	off £500 payments after April 2021 are also made under the Coronavirus Act.		
<b>GB:</b> Local Housing Allowance rates: reset to the 30th percentile of market rent in each broad rental market area.	Rent Officers Order, Regulation 4 of <u>The Social Security (Coronavirus) (Further Measures) Regulations 2020 (SI 2020/371)</u>	None. Secretary of State told the Lords Economic Affairs Committee on 2 June that the increase was a "permanent uplift."  25 November written statement (HCWS600) promises that 2020/21 LHA rates will be maintained in cash terms, though they will not be uprated and no link with rental prices will be re-established.	Current
GB: Suspending the Minimum Income Floor (MIF).	Regulation 2 of The Social Security (Coronavirus) (Further Measures) Regulations 2020 (SI 2020/371)  Written statement (HCWS552) on 3 November 2020 announced the extension of the suspension of the MIF until the end of April 2021. Given effect by The Social Security (Coronavirus) (Further Measures) (Amendment) and Miscellaneous Amendment Regulations 2020 (SI 2020/1201).  Following an announcement in the March 2021 Budget, The Universal Credit (Extension of Coronavirus Measures) Regulations 2021 (SI2021/313) extended the suspension until 31 July 2021.	31 July 2021. The March 2021 Budget delayed the reintroduction of the MIF for a further three months.  The Secretary of State for Work and Pensions has promised that the reintroduction of the MIF will involve making changes on an individual basis, and will not be a "big bang."  Most of the £90 million cost of this delay, and benefit for claimants, will fall after April 2022. The Budget 2021 Policy Costings document explains: "new claimants benefit from a 12-month grace period before the MIF is applied, and this grace period has been extended alongside the MIF suspension"	Current

<b>Scotland:</b> Additional payment of £230.10 made in Carer's Allowance Supplement from April to September 2020.	Schedule 1(6) of <u>Coronavirus (Scotland)</u> (No. 2) Act 2020	30 September 2020.  MyGov.scot website explains (updated 3 November) that backdated awards may get the additional payment in December 2020.	Expired
Scotland: Increase in the Council Tax Reduction earnings disregard to take account of the temporary increase in the Working Tax Credit basic element.	Regulation 2 of The Council Tax Reduction (Scotland) Amendment (No. 3) (Coronavirus) Regulations 2020 (SSI.No.2020/108)	4 April 2021 (matching the timescale for ending the WTC increase).	Current
	Rule changes to support social distancing	g, isolating and shielding	
<b>GB:</b> Statutory Sick Pay made payable from the first day of illness if you cannot work due to coronavirus.	Regulation 2 of <u>The Statutory Sick Pay</u> ( <u>Coronavirus</u> ) ( <u>Suspension of Waiting Days and General Amendment</u> ) Regulations 2020 ( <u>SI 2020/374</u> ) <u>Earlier, time limited, regulations</u> were superseded.	Unknown. Explanatory note states:  The Secretary of State will keep the provisions under review in line with corresponding provision in the Coronavirus Act 2020.	Current
<b>GB:</b> Statutory Sick Pay extended to cover those self-isolating through the provision of 'isolation notes' instead of fit notes.	Regulation 3 of <u>The Statutory Sick Pay</u> ( <u>Coronavirus</u> ) ( <u>Suspension of Waiting Days and General Amendment</u> ) Regulations 2020 ( <u>SI 2020/374</u> ) <u>Earlier, time limited, regulations</u> were superseded.	Unknown. Explanatory note states:  The Secretary of State will keep the provisions under review in line with corresponding provision in the Coronavirus Act 2020.	Current
<b>GB:</b> Statutory Sick Pay extended to people who are shielding.	The Statutory Sick Pay (General) (Coronavirus Amendment) (No. 3) Regulations 2020 (SI 2020/427)	Shielding was "paused" in England and in Scotland from 1 August, and from 16 August in Wales. However, in England, shielding has been	Current

reintroduced during periods of national lockdowns and (for some areas) local tiered restrictions.

<u>Guidance</u> for clinically extremely vulnerable people has been linked with changing public health rules (last updated 16 April 2021):

> There are 3 ways you may be identified as clinically extremely vulnerable:

- You have one or more of the conditions [listed in the guidance].
- Your clinician or GP has added you to the Shielded Patient List because, based on their clinical judgement, they deem you to be at high risk of serious illness if you catch the virus.
- You have been identified through the COVID-19 Population Risk Assessment as potentially being at high risk of serious illness if you catch the virus.

If people are unable to work because of shielding guidance, they may be eligible for Statutory Sick Pay, Employment and Support Allowance or Universal Credit.

Guidance on shielding may differ in Wales, Scotland and Northern Ireland.

<b>GB:</b> Jobseeker's Allowance - continued entitlement if a claimant, or child they are caring for, has Covid-19 or is self-isolating because of symptoms.	Regulation 8 of <u>The Social Security</u> (Coronavirus) (Further Measures) Regulations 2020 (SI 2020/371)	1 September 2021. Regulation 10 originally stated that regulation 8 would "cease to have effect at the end of the period of eight months beginning on 13th March 2020."  This was later extended to 12 May 2020 by The Social Security (Coronavirus) (Further Measures) (Amendment) and Miscellaneous Amendment Regulations 2020 (SI 2020/1201).  In April 2021, it was again extended the end of August The Social Security (Coronavirus) (Miscellaneous Amendments) Regulations 2021 (SI 2021/476).	Current
England and Wales: Carer's Allowance – continued entitlement during breaks in caring if carer or disabled person has Covid-19 or is self-isolating because of symptoms.	Regulation 9 of The Social Security (Coronavirus) (Further Measures) Regulations 2020 (SI 2020/371)	1 September 2021. Regulation 10 originally stated that regulation 9 would 'cease to have effect at the end of the period of eight months beginning on 13th March 2020.'  This was later extended to 12 May by The Social Security (Coronavirus) (Further Measures) (Amendment) and Miscellaneous Amendment Regulations 2020 (SI 2020/1201).  In April 2021, it was again extended the end of August The Social Security (Coronavirus) (Miscellaneous Amendments) Regulations 2021 (SI 2021/476).	Current

entitlement to Maternity

where a person is a furloughed employee for the

Maternity Pay, Statutory Paternity Pay,

Allowance and other statutory family-related benefits.	Statutory Adoption Pay, Statutory Shared Parental Pay and Statutory Parental Bereavement Pay (Normal Weekly Earnings etc.) (Coronavirus) (Amendment) Regulations 2020 (SI 2020/ 450)	purposes of the Coronavirus Job Retention Scheme." The CJRS was extended to the end of September 2021 in <u>Budget 2021</u> .	
UK: Working Tax Credit will not be affected if a claimant's working hours have been reduced.	Regulation 2 of The Tax Credits (Coronavirus, Miscellaneous Amendments) Regulations 2020 (SI 2020/534)  Announced in 4 May press release. Gov.uk guidance (accessed 28 April 2021) states:  If you're currently getting tax credits and you cannot work or you're working fewer hours because of coronavirus, you do not need to tell HMRC about this change as long as you're still employed or self-employed.	End of September 2021. The 4 May press release states:  We will treat customers as working their normal hours until the Job Retention Scheme closes, even if they are not using the scheme.  The CJRS was extended to the end of September 2021 in Budget 2021.	Current
<b>UK:</b> Time limit for critical workers to report changes of circumstances for tax credit purposes extended from one month to three.	Regulation 4 of <u>The Tax Credits</u> (Coronavirus, Miscellaneous Amendments) Regulations 2020 (SI 2020/534)	End of September 2021. Explanatory note for the regulations states:  The extension of time only applies to claimants who are critical workers and only for the duration of the Coronavirus Job Retention Scheme.  The CJRS was extended to the end of September 2021 in Budget 2021.	Current
<b>Scotland</b> : Application time limits extended for devolved benefits	Schedule 7(4) of the <u>Coronavirus</u> (Scotland) Act 2020.	30 September 2020	Expired

where a delay in applying is due to Covid-19. Applies to:

- Pregnancy and Baby Payment
- Early Learning Payment
- School Age Payment
- Young Carer Grant
- Funeral Support Payment

The announcement on the devolved benefits to which this measure applies was made by Social Security Scotland on 14 April 2020: 'Making sure people impacted by Covid-19 get our support'.

The Act also provides the power for Scottish Ministers to alter this date by regulations, including in Section 12(3) to extend it to 31 March 2021 or 30 September 2021.

Other provisions in the Act were proposed for extension on 28 August, but this did not include Schedule 7(4).

Regulation 2 of <u>The Coronavirus (Scotland) Acts</u> (Early Expiry of Provisions) Regulations 2020 (SSI 2020/249) specified the expiry of these provisions.

## Social distancing in benefit assessments and Jobcentre appointments

Suspending all face-to-face assessments for sickness and disability benefits.

The suspension was originally announced in a 16 March DWP press release.

Disability benefit assessments, reviews and reassessment are discussed above.

From April 2021 for Industrial Injuries Disablement Benefit assessments.

From May 2020 for Work Capability Assessments and Personal Independence Payment Assessments.

A 29 March DWP Press release outlined the basic timetable for the resumption of face-to-face benefits

> Face-to-face assessments for Industrial Injuries Disablement Benefit (IIDB) claimants will resume from 12 April 2021 in England and from 26 April in Scotland and Wales. Face-to-face assessments for Work Capability Assessments (WCAs) (for claims for the additional health amount of Universal Credit and Employment and Support Allowance) and Personal Independence

Current

		Payment (PIP), will resume from May across England and Scotland and in Wales from the point on their roadmap when socialising indoors is allowed.	
Reviews and reassessments for all disability benefits were suspended.	Announced in 23 March press release	Initially for a three-month period. <b>Gradual resumption from July 2021.</b> 6 July press release states that "Some review and reassessment activity to gradually resume from July 2020 for Personal Independence Payment (PIP) and Disability Living Allowance (DLA)."	Resuming
Restrictions on Jobcentre visits	Guidance on the Gov.uk understanding Universal Credit website was changed in March 2020 to read: "unless directed to do so for an exceptional purpose."  This was later amended (accessed 28 April 2021) to read:  You do not need to attend the jobcentre unless we ask you to do so. If you need to contact us the quickest way to do this is online or by phone.  If you need to attend a jobcentre, they are open and one of our colleagues will be able to assist you.	From July 2020. As explained in section 1.2, the Department began reopening Jobcentres from July 2020, even if claimants would not always be expected to come in as usual.  With a national lockdown starting in England on 5 January 2021, the DWP released Jobcentre guidance on new national COVID restrictions (last updated 15 January 2021).  On 19 March, a DWP press release announced that "[f]rom 12 April, jobcentres in England, Scotland and Wales will return to their prelockdown opening hours".	Current
Conditionality and sanctions			

		of benefit deductions." ( <u>HC Deb 19 October</u> 2020 c744)	
<b>GB:</b> From 21 May, people not entitled to UC because of income from the Self-Employment Income Support Scheme don't need to reapply to get it.	Regulation 3 of <u>The Universal Credit</u> (Coronavirus) (Self-employed Claimants and Reclaims) (Amendment) Regulations 2020 (SI 2020/532)	None.	Current
Child Benefit – parents can claim without having to register their child's birth.	Announced in 7 April press release.	Unknown. At 28 April 2021 the Gov.uk website stated:  If you're not able to register the birth of your child because of coronavirus (COVID-19), you can still make a claim to receive Child Benefit.	Current

## 3.2 Timeline of announcements on the status of temporary changes since June 2020

This table provides a rolling timeline of major announcements relating to the withdrawal of social security changes (outlined in section 3.1) since June when several of them were due to expire. It should be noted that the first of these temporary measures to reach the end of its period as originally announced was the suspension of face-to-face disability and sickness benefit assessments, which was set to expire on 17 June – although it was later confirmed on 25 June that this had been extended. This table can be read as current at the date of publication.

Date and summary	Announcement
<b>25 June 2020.</b> Extended suspension of face-to-face assessments.	Minster for Disabled People, Health and Work stated (PQ 61450, 25 June 2020):  Face to face assessments remain suspended while we review what activity we can gradually start reintroducing in line with the latest public health advice. We will confirm next steps as soon as possible.
<b>29 June:</b> Reintroduction of conditionality.	Secretary of State for Work and Pensions told the House (HC 29 June 2020 c3):  It is important that as the jobcentres fully reopen this week we reinstate the need for a claimant commitment. It is an essential part of the contract to help people start to reconsider what vacancies there are, but I know that I can trust the work coaches and jobcentre managers, who are empowered to act proactively with people.
<b>6 July:</b> Recovery of certain debts owed to the Government were to resume.	Email from the DWP Communications Directorate at the Department for Work and Pensions, <u>published</u> on Rightsnet, confirmed that debt recoveries were recommencing.
<b>6 July:</b> Face-to-face disability and sickness benefit assessments to remain suspended.	DWP <u>press release</u> stated:  Face-to-face assessments to remain suspended, but kept under review.
<b>6 July:</b> Gradual resumption of reassessments for disability benefit assessments.	DWP <u>press release</u> stated:  Some review and reassessment activity to gradually resume from July 2020 for Personal Independence Payment (PIP) and Disability Living Allowance (DLA).

recommendations for further changes in response to the crisis.	<ul> <li>The Shared Accommodation Rate.</li> <li>The Benefit Cap.</li> <li>Department for Work and Pensions communications.</li> </ul>
<b>29 July:</b> Minister of State for Employment provides update on opening new Jobcentres.	Parliamentary written answer (PQ 74611) stated:  DWP is currently evaluating the estates capacity needed to respond to the economic consequences of the pandemic, this is being done in line with recruitment, which is already underway. Whilst there may be a few exceptions, in general we expect that this will be new estate, rather than jobcentres where leases have been surrendered, as new estate will be easier to make Covid-secure. Further details will be provided to Parliament when our plans have been finalised.
6 August: Social Security Advisory Committee announces "Rapid review of post-lockdown changes to social security benefits."	<ul> <li>In a blog SSAC set out the areas of concern they will be focussing on:</li> <li>How the reintroduction of conditionality will work.</li> <li>The provisions for self-employment.</li> <li>Changes to sickness and disability benefits.</li> </ul>
8 September: Minister for Employment provides update on DWP recruitment.	Parliamentary written answer (PQ 83896) stated:  Work Coach recruitment commenced in June with an initial cross government campaign and followed by a further 12 targeted external campaigns at the beginning of July. Additional external campaigns will be launched on Wednesday 9 September with further adverts launching on a weekly basis over the following 4 weeks.  Over 300 new work coaches have now started and our plans will see over 4500 start by 31 October with a further 9000 starting by 31 March 2021.
<b>24 September:</b> Chancellor Rishi Sunak announces the Job Support Scheme and extension of Self Employment Income Support Scheme Grants.	In an oral statement to the House of Commons ( <u>HC Deb 24 September 2020 c1153</u> ), Mr Sunak explained the following:  I am announcing today the new jobs support scheme. The Government will directly support the wages of people in work, giving businesses that face depressed demand the option of keeping employees in a job on shorter hours, rather than making them redundant.

	The job support scheme is built on three principles. First, it will support viable jobs. To make sure of that, employees must work at least a third of their normal hours and be paid for that work as normal by their employer. The Government, together with employers, will then increase those people's wages, covering two thirds of the pay they have lost by reducing their working hours. The employee will keep their job.  Secondly, we will target support at firms that need it most. All small and medium-sized businesses are eligible, but larger businesses only when their turnover has fallen through the crisis.  Thirdly, it will be open to employers across the United Kingdom, even if they have not previously used the furlough scheme.  The scheme will run for six months, starting in November. Employers retaining furloughed staff on shorter hours can claim both the job support scheme and the jobs retention bonus.
<b>30 September:</b> Secretary of State gives evidence to the Work and Pensions Committee.	As part of <u>its inquiry into the DWP's response to the coronavirus outbreak</u> , Secretary of State for Work and Pensions, Thérèse Coffey, and Director General, Work and Health Services, John Paul Marks, gave evidence to the Committee.
<b>9 October:</b> suspension of ESA waiting days extended.	Regulations were made to extend the suspension of Employment and Support Allowance waiting days for those affected by coronavirus for a further six months.
<b>22 October:</b> Increased financial support through the Job Support Scheme.	<ul> <li>Chancellor Rishi Sunak <u>announced increased financial support</u> through the Job Support Scheme and Self Employment Income Support Scheme:         <ul> <li>open businesses which are experiencing considerable difficulty will be given extra help to keep staff on as government significantly increases contribution to wage costs under the Job Support Scheme, and business contributions drop to 5%</li> <li>business grants are expanded to cover businesses in particularly affected sectors in high-alert level areas, helping them stay afloat and protecting jobs</li> <li>grants for the self-employed doubled to 40% of previous earnings</li> </ul> </li> </ul>
<b>30 October:</b> DWP meets Work Coach recruitment targets.	Department for Work and Pensions <u>announced that it had recruited 4,500 new Work Coaches</u> to 'help Britain build back better.'

Healthy Start payments set to rise from £3.10 to £4.25 a week from April 2021

	Suite of measures represents long-term plan to help tackle poor health, hunger and education.
<b>9 November:</b> DWP issues new Jobcentre guidance on coronavirus restrictions.	Press release on <u>9 November</u> outlined details of adaptations made across England, Scotland, Wales and Northern Ireland.
<b>18 November:</b> Social Security Advisory Committee publishes a 'review of the COVID-19 temporary measures.'	The review of coronavirus related social security measures and the potential challenges of unwinding them covers six themes:  1. Conditionality and the unwinding of the easements 2. Communication with claimants and stakeholders 3. Determinations in an environment of social distancing 4. Clarifications to rules and easements 5. Housing exemptions 6. Other issues, including eligibility and award values
<b>25 November:</b> Secretary of State provides update on Social Security Benefit and Pension Uprating 2021/22.	<ul> <li>A Written Statement (HCWS600) on the statutory annual review of benefits and State Pensions rates included:</li> <li>Increasing pensions by 2.5%.</li> <li>Increasing benefits in line with CPI – 0.5% in the relevant reference period.</li> <li>Maintaining in cash terms the 2020/21 increase to the Local Housing Allowance, though not uprating this or permanently establishing a link with market rents.</li> <li>The Written Statement also promised that a separate assessment of the temporary £20 a week uplift to Universal Credit and Working Tax Credit will be made in the new year.</li> </ul>
<b>25 November:</b> Spending Review includes £2.9 billion over three	On top of measures previously announced in the 'Plan for Jobs,' £2.9 billion was announced to be spent over the next three years on a "Restart Programme that will provide intensive and tailored support to

years to support the long term unemployed.	over 1 million unemployed people and help them find work, with approximately £0.4 billion of funding in 2021-22."
<b>27 November:</b> DWP publishes new Jobcentre guidance on COVID-19 local restriction tiers.	DWP <u>press release</u> outlined rules allowing Jobcentres to remain open, but operating differently depending on local restrictions across the UK.
<b>14 December:</b> The All Party Parliamentary Group on Poverty launches a call for evidence into the impact on poverty of maintaining the £20 uplift in Universal Credit.	A <u>website post</u> from Co-Chairs Kevin Hollinrake MP and Neil Gray MP made a call for submissions:  The All Party Parliamentary Group (APPG) on Poverty is calling for submissions on the impact of ending this temporary Covid-19 £20 uplift in universal credit and tax credits in April 2021 as well as the impact of not extending the uplift to legacy and other benefits during the Covid-19 pandemic.  The APPG is asking organisations for short written submissions of the key points the APPG should consider to inform its representations to Government. It is particularly interested to hear from organisations which represent disabled people and carers, and other groups that have not benefited from the uplift.
<b>17 December:</b> Coronavirus Job Retention Scheme extended to 30 April 2021.	The Chancellor's written statement (HCWS 680 17 December 2020) explained the rationale for the extension:  In my previous statement to the house on 5 November 2020, I said we would review the scheme in January 2021. However, to provide certainty to businesses so that they can plan for the remainder of the Winter and the New Year, we have undertaken this review earlier. As the CJRS is already UK-wide, these changes will continue to apply to all Devolved Administrations.  Following my last update in November, I can announce today that the Coronavirus Job Retention Scheme (CJRS) will be extended by another month, until the end of April 2021 with employees continuing to receive 80 per cent of their current salary for hours not worked.
<b>17 December:</b> Minister for Employment provides estimates of the numbers of households reaching the end of benefit cap grace periods.	PQ 126047 outlines the number of grace periods ending in Universal Credit in each of January, February and March 2021 – 184,000 in total.  The Secretary of State for Work and Pensions also confirmed in an 18 December letter to the chair of the Work and Pensions Committee that the Government has no plans to extent to 9-month grace period.

<b>6 January 2021:</b> DWP publishes new Jobcentre guidance on new national COVID restrictions.	DWP <u>press release</u> explains that "jobcentres will remain open, as they have throughout this pandemic, to provide essential services and support to those who we cannot help in any other way."
<b>18 January:</b> Opposition Day Debate on the future of the £20 a week uplift to Universal Credit and Working Tax Credit.	The motion debated was as follows:  That this House believes that the Government should stop the planned cut in Universal Credit and Working Tax Credit in April and give certainty today to the six million families for whom it is worth an extra £1,000 a year.  The motion was carried with 278 ayes and zero noes.  Further background can be found in Opposition Day Debate: A Motion relating to Universal Credit and Working Tax Credit, Commons Library Debate Pack CDP-2021-0009, 15 January 2021.
<b>25 January:</b> DWP provides update on Kickstart programme for young adults.	DWP <u>press release</u> explains that "More than 120,000 jobs for 16 to 24 year olds have now been created through the government's flagship Kickstart Scheme, as ministers have urged more employers to get involved."
<b>2 March:</b> Regulations made to allow video and telephone assessments for disability benefits.	Notes to <u>The Social Security (Claims and Payments, Employment and Support Allowance, Personal Independence Payment and Universal Credit) (Telephone and Video Assessment) (Amendment) Regulations 2021, SI 2021/230 explain:  The amendments enable medical examinations and consultations to be conducted as between a claimant and an assessor approved by the Secretary of State in person, by telephone or by video as part of the process for determining entitlement to Industrial Injuries Disablement Benefit, Employment and Support Allowance, Personal Independence Payment and Universal Credit.</u>
<b>3 March:</b> Budget 2021 extends temporary increases to Universal Credit other measures.	<ul> <li>Along with extensions to the CJRS and SEISS, <u>Budget 2021</u> outlined the <u>following welfare measures</u>:</li> <li>2.19 Universal Credit increase – The government is extending the temporary £20 per week increase to the Universal Credit standard allowance for a further six months in Great Britain, on top of the planned uprating. This measure will apply to all new and existing Universal Credit claimants.</li> <li>2.20 Additional support for Working Tax Credit claimants – The government is making a one-off payment of £500 to eligible Working Tax Credit claimants across the UK, to provide continued extra support over the next six months. 46 Budget 2021</li> </ul>

	2.21 Universal Credit surplus earnings threshold – The government will maintain the higher surplus earnings threshold of £2,500 for Universal Credit claimants for a further year until April 2022, when the threshold will revert to £300.
	2.22 Universal Credit Minimum Income Floor suspension – The government will continue the suspension of the Minimum Income Floor (MIF) for self-employed Universal Credit claimants until the end of July 2021. The MIF will be gradually reintroduced from August, but DWP work coaches will be given discretion to not apply it on an individual basis where they assess that claimants' earnings continue to be affected by COVID-19 restrictions.
	2.23 Universal Credit: debt deductions cap and advance repayments – The government will support claimants to keep more of their Universal Credit awards while ensuring they meet their financial obligations by bringing forward previously announced changes. From April 2021, the period over which Universal Credit advances will be recovered will increase to 24 months, while the maximum rate at which deductions can be made from a Universal Credit award will reduce from 30% to 25% of the standard allowance. These measures were previously due to be implemented from October 2021.
	2.24 Relaxation in Working Tax Credit hours requirement – The government will continue to treat Working Tax Credit claimants across the UK who have been furloughed, or experienced a temporary reduction in their working hours as a result of COVID-19, as working their normal hours for the duration of the CJRS. This allows these claimants to remain eligible for Working Tax Credit.
19 March: DWP announces that	A <u>DWP press release</u> explains that:
Jobcentres will return to normal hours from 12 April.	While jobcentres have remained open and fully operational throughout the pandemic for those who really need it, and Work Coaches have continued to support all their customers virtually – opening hours were temporarily shortened to 10am to 2pm at the start of this national lockdown in line with the toughened restrictions.
<b>29 March:</b> DWP announces that face-to-face disability benefit assessments will resume.	A <u>DWP press release</u> explains that:  Face-to-face assessments for Industrial Injuries Disablement Benefit (IIDB) claimants will resume from 12 April 2021 in England and from 26 April in Scotland and Wales. Face-to-face assessments for Work Capability Assessments (WCAs) (for claims for the additional health amount of Universal Credit and Employment and Support Allowance) and Personal Independence Payment (PIP), will resume from May across England and Scotland and in Wales from the point on their roadmap when socialising indoors is allowed.

	People will be invited for their appointments by letter, which will clearly set out what to expect at their appointment.
	Face-to-face assessments will take place alongside existing paper-based assessments, and telephone assessments (for WCAs and PIP), which will continue to take place where suitable.
<b>29 March:</b> Minister for Employment announces that 13,500 Work Coaches have been recruited.	Mims Davies <u>wrote to all MPs</u> to inform them that the recruitment target had been met. The new "Jobs Army" would:
	[E]nsure jobseekers get more personalised support to help find their next role, or upskill to expanding sectors, to get them back on track as we build back better.
<b>26 April:</b> Work and Pensions Committee publishes letter from the Secretary of state on the future of coronavirus measures and managed migration.	A <u>letter from the Secretary of State for Work and Pensions</u> to the Chair of the Work and Pensions Committee announces the future of several measures:
	I have considered this carefully but my intention is to extend the easements. My proposals are currently with SSAC for scrutiny but, subject to their response, I expect to extend the following three measures to 31/08/21:
	<ul> <li>For people claiming Jobseeker's Allowance, continued entitlement if they, or a child they are caring for, has Covid-19 or is self-isolating because of symptoms;</li> </ul>
	<ul> <li>For Carer's Allowance, continued entitlement during breaks in caring if the carer, or the disabled person they care for, has Covid-19 or is self-isolating because of symptoms;</li> </ul>
	<ul> <li>Extending entitlement to means-tested benefits, such as Universal Credit (UC), to prisoners on temporary release.</li> </ul>
	I can also confirm that the two ESA measures [see above] will be extended until 12/11/21. I expect to lay the relevant Statutory Instruments before the end of this month.

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