



Department
for Work &
Pensions

THE RT HON THERESE COFFEY MP
Secretary of State for Work & Pensions

Caxton House
Tothill Street
London, SW1H 9AJ

Liz Sayce
Interim Chair
Social Security Advisory Committee
7th Floor
Caxton House
London
SW1H 9AJ

TC July 2020

Dear Liz,

Thank you for your letter of 27 May and your words about the response of the Department to the outbreak of Covid-19. I have responded to each of your recommendations below.

Standard Allowances

As part of the Government's strategy to support people affected by COVID 19, DWP has made a number of temporary and permanent changes to make sure people can self-isolate, and to ensure people who need financial help have access to the benefit system. Measures to assist existing claimants of legacy benefits include: increasing the Local Housing Allowance rates so that they cover 30% of local market rents; amending Housing Benefit so that increases in Working Tax Credits can be disregarded rather than reducing the Housing Benefit award; treating all ESA claimants who satisfy the conditions of entitlement and are suffering from COVID-19, or who are required to self-isolate in line with government guidance, as having limited capability for work, without the requirement to provide a fit note or to undergo a Work Capability Assessment; and removing waiting days for ESA for those claimants affected by Covid-19, so it is payable from day one of the claim, subject to the claimant satisfying the normal conditions of entitlement.

As discussed in the SSAC meeting, it is imperative that the Department continues to prioritise the safety and the stability of the benefit system so that all claimants have the financial security of receiving their entitlement. This will remain the paramount concern of the Department in any future policy decisions.

DWP has no plans to increase Employment and Support Allowance, Jobseeker's Allowance or Income Support. These benefits were increased by 1.7% in April 2020 following the Government's announcement to end the benefit freeze.

It has always been the case that claimants on legacy benefits can make a claim for UC if they believe that they will be better off. There are special arrangements for those in receipt of the Severe Disability Premium, who will be able to make a new claim to Universal Credit from January 2021.

Claimants should check their eligibility before applying to Universal Credit as legacy benefits will end when they submit their claim and they will not be able to return to them in the future. For this reason, prospective claimants are signposted to independent benefits calculators on GOV.UK. Neither DWP nor HMRC can advise individual claimants whether they would be better off moving to UC or remaining on legacy benefits.

Shared Accommodation Rate

There are no plans to suspend the Shared Accommodation Rate. A number of exemptions from the Shared Accommodation Rate are already in place, including care leavers up to the age of 22, and those in receipt of the severe disability premium.

For other individuals who may require more support during Covid-19 or whose circumstances may make it difficult for them to share accommodation, Discretionary Housing Payments are available from local authorities.

We have provided £180m in Discretionary Housing Payment funding to Local Authorities to support vulnerable claimants with housing costs in England and Wales for 2020/21. This includes an extra £40m as announced last year at the spending round.

Benefit Cap

There are no plans to change the Benefit Cap. There are a range of exemptions for when the cap will not be applied.

Universal Credit claimants with household earnings of at least £604 in an assessment period, which can include statutory sick pay, employer sick pay and earnings from self-employment and the furlough scheme, will continue to be exempt from the cap. Housing Benefit claimants who are entitled to Working Tax Credit will continue to be exempt from the cap.

In addition, Universal Credit claimants may benefit from a nine-month 'grace period' throughout which their benefit will not be capped if they have a sustained work record. i.e. monthly earnings of at least £569 (£604 from April) for the past year. Exemptions continue to apply for the most vulnerable claimants that are entitled to disability benefits and carer benefits. Claimants can also approach their Local Authority for a Discretionary Housing Payment if they need additional support to meet rental costs.

Communications

Throughout the coronavirus outbreak, DWP's communications team has reacted quickly and across multiple platforms and mediums to help as many people as possible navigate the range of new and existing financial support provided by Government. This includes launching a new microsite within the "Understanding Universal Credit" website to help people understand the eligibility criteria of different support schemes and benefits and the interaction between the different support offers. Since this new content was launched in early March, it has received over 1.8 million page views.

<https://www.understandinguniversalcredit.gov.uk/employment-and-benefits-support/>

Although the DWP cannot advise legacy benefit claimants whether they should claim Universal Credit or not, proactive messaging actively encourages such claimants to use a benefit calculator to check their eligibility for Universal Credit before applying. The Department's communications team has also reviewed existing signposting and developed additional communications to ensure people understood that making a claim to Universal Credit stops existing legacy benefits.

In line with our approach to continually improve Universal Credit, on 3rd June we introduced a new check-through box to our online system to remind claimants to check their eligibility for Universal Credit before initiating a claim. This clearly sets out that legacy benefits will cease when their Universal Credit claim is submitted and explains that claimants will not be able to return to them in the future, even if the claimant is not entitled to UC.

We used paid advertising to extend the reach of the Department's social media posts, five of which provided specific information for tax credit claimants who may be considering a Universal Credit application. This ensured the information reached millions of people and achieved over 350,000 video views. We also added information to HMRC's Interactive Voice Response for people calling on the phone, updating HMRC staff guidance and GOV.UK pages.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'T. A. J.', written in a cursive style.