Tuesday, 25 November 2025
(10.00 am)
LADY HALLETT: Mr Wright.
MR WRIGHT: Thank you. Yes. The first witness is Dr Mike Brewer.
DR MIKE BREWER (affirmed)
Questions from RICHARD WRIGHT KC, LEAD COUNSEL TO THE INQUIRY for MODULE 9
LADY HALLETT: Thank you for coming along to help us, Dr Brewer.
THE WITNESS: Thank you very much.
MR WRIGHT: Dr Brewer, there are microphones. They'll amplify your voice, but do try to speak clearly. And we try not to go too quickly so that a full note can be taken of what is said.
Dr Brewer, you are Chief Economist and Deputy Chief Executive of the Resolution Foundation; is that right?
A. That's right, yes.
Q. And you were instructed by the Inquiry to prepare a report on the impact of both labour market interventions and the social security system on inequalities during the pandemic; is that right?
A. Yes, it is.
Q. And you've got a copy of your report with you signed and dated September of 2025?

A. Yes, I do.
Q. And the Inquiry reference is INQ000588132 for that report.
And the report is focused on inequalities, but so -- or to assist you, I'm going to structure my questions this morning on five broad topics. All right? So I'll just set those out and then we'll get into the topics and I'll ask you some questions.
First, I'd like to explore with you some of the key aspects of the UK labour market before the pandemic.
A. Mm-hm.
Q. So focusing on pre-existing inequalities. That's in order to provide some context in terms of the impact of the pandemic on the labour market and the economic response to it.
Second, I want to ask you about, in broad terms, the economic shock and whether that shock had an equal or unequal impact across the labour market.
Third, I'd like to focus with you on labour market interventions, so that is essentially looking at the interventions that were taken, asking you to help us, in your opinion, as to their success relative to the policy objectives, what works well, what didn't, what might be done better in the future.
A. **(Witness nodded)**

Q. Fourth, to perform the same exercise looking at the social security system, if we can. So, establishing the system going into the pandemic, looking at the changes that were made, and performing that same process of looking at success relative to policy objectives.
And then fifth and finally, I want to ask you some questions about Long Covid and the extent to which Long Covid was factored into adjustments made to those systems, and to ask you some forward-looking questions about that.
So can we start with pre-existing inequalities in the labour market. And, first of all, can I ask you to help us to understand what we mean by that term, "inequality in the labour market". Should we understand you can look at that in two principal ways: firstly, inequality in terms of pay and earnings?
A. Yes, that's right. I think, when you're considering the labour market, there are a number of different dimensions you should think about, a number of different domains. One of them is definitely pay and earnings. I think that is what most people think about when they consider inequalities in the labour market. But I also think that when -- when we consider the pandemic in particular and the impact that had, it is also important to think about people's contractual nature of their

work, which affects their rights, their powers, as employees. And I think that turned out to be also very important. Inequalities in that dimension also turned out to be very important.
Q. So there's the way in which most people think about inequality, who gets paid more, who gets paid less, but also it's the basis on which people are employed, how they're employed, and the rights that they acquire or don't acquire as a result on the way in which they are employed?
A. Yes, absolutely.
Q. And do those two things tend to sit separately or are they interrelated? So, in other words, people who tend to be less well paid may find that they have less rights in the labour market?
A. They do tend to, sort of, fit together, unfortunately. Perhaps due to the fact that some people just have less power in the labour market and the workplace so they command -- they get -- they earn -- they command a lower wage, and they also find it harder to secure the kind of permanent and more secure kind of employment contracts.
So they do tend to go together, and that's particularly notable, for example, when we look at certain sectors of the economy. The hospitality sector of the economy, for example, has some of the lowest-paid

jobs but it also has the highest incidence of zero-hours contracts, which is one of those types of insecure employment.

Q. Thank you. Is it right that you are able to look at statistics and data and track, as it were, inequality across different cohorts? So one would be to look at the difference between the richest and the poorest, but you can also look at inequality by looking at, for example, protected characteristics: age, gender, disability, and see how inequality sits amongst those cohorts of people?

A. Yes, that's right. It's definitely important to think about inequalities between different groups and typically we would do that using the protected characteristics from the Equality Act. Shall I run through some of those key differences?

Q. Yes, if you could for us.

A. Of course. So there are differences between men and women. Men tend to work more and earn more than women. Now, actually, it turns out that wasn't particularly important for the pandemic so I didn't focus much on that in my evidence. For ethnicity, there are very clear differences between certain ethnic groups. These are not all bad compared to the white majority population. Some ethnic minorities do tend to earn more

than the white majority but there are others, particularly Pakistani, Bangladeshi, and some of the African ethnic groups who will tend to earn less than the white majority. There's an important intersection between gender and ethnicity. So some of the worst paid groups in society will be minority ethnic women, for example, where there's a particularly large pay penalty comparing to the white majority.

We can think about age, younger people tend to earn less than older people. Some of that is natural progression in the labour market, but it's also true that young people also do tend to be more likely to be on those more insecure labour market contracts which turned out to be a problem when the pandemic hit.

Finally, there is a disability employment gap and pay gap. So when we think about disability, this has a particularly large employment gap between those who are disabled and those who are not, which you might expect, but even when you look among those who are working, there is a pay gap between those who are disabled and those who are not.

Q. Thank you. And can you also, I think you have touched on this, but can you also look at inequality across sectors of the labour market? So before the pandemic there were some sectors in which, pre-pandemic, pay was

lower, conditions tended to be more insecure and there was greater inequality?

A. Yes, absolutely. So before the pandemic hit, the sector with the lowest median pay was accommodation and food services, or hospitality, as we might call it, you know, the highest hourly pay is found in the finance and insurance services, so, you know, professional jobs.

Some sectors with below average hourly pay, I say hospitality, wholesale and retail, arts, entertainment and recreation and then personal services, particularly those including hair and beauty, child care, cleaning, textiles and social care and, you know, I've already read out some of the sectors which will go on to be affected by the pandemic.

I think what is particularly noteworthy is that some of these lower-paid sectors also have larger proportions of workers who are on insecure employment contracts. So I said the lowest paid sector is hospitality, which, across all sectors, that -- that has the highest proportion of zero-hour contract workers, at about -- just under a quarter of workers in that sector pre-pandemic are on a 0 hours contract.

Q. Taking a very high-level view, pre-pandemic, generally, did the United Kingdom have the highest levels of earning inequality in the developed world by measured

statistics?

A. Yes. So we tend to look across OECD countries, which are about 30 of the most developed countries, most comparable countries to the UK, and pre-pandemic across OECD countries the UK was nearly top of the league table when it comes to earnings and inequality. So that's the gap between the low paid and the high paid.

I should note, though, that thanks to the UK's relatively high minimum wage, that inequality is sort of more marked at the top end, so between the very well paid and the medium paid, than it is at the bottom end, so between the low paid and the medium paid. So one of the good features of the UK economy when it comes to inequality is we have a relatively high minimum wage, which provides some protection to the lowest paid.

Q. So the gap between the highest paid and the lowest paid is significant, but the gap between the lowest paid and those in the middle is less because of the minimum wage or in part because of the minimum wage?

A. Yes, that's right.

Q. Yes. And also is it right, taking a high-level view, that generally, part-time workers tend to have a lower median pay, hourly pay, than full-time workers? So if you're in part-time employment, your rate of pay is likely to be lower?

A. Yes, that's definitely right. We talk about something called a part-time pay penalty. So not only are you working fewer hours but part-time jobs tend to be paid less per hour.

Part of that is to do with the kind of sectors and jobs that where part-time job -- part-time work happens, but not all of it. So even if we zoom in on the same occupation, the same sectors, the same kind of workers, there does tend to be a penalty to working part-time, probably linked to the fact that there are some workers who are very keen to have that extra flexibility in their work, in their workplace, and they find it harder to get into the highest-paid jobs.

Q. Thank you.

Now, you've touched on the fact that pay is but one factor. In terms of employment conditions, just so we understand pre-pandemic, I think this is paragraph 11 of your report at page 6, that at the start of 2019 you say that:

"... 63% of the workforce were in standard employment arrangement[s], [that's] working as full time employees ..."

Is that right?

A. Yes, that's right. So in a full-time permanent job, applying to just under two-thirds of the workforce,

meaning that about one-third of the workforce are either self-employed or they're working part time, or they have a temporary contract, or they're in some of the most insecure kinds of work, such as zero-hours contracts or agency work.

Q. Thank you. And this is paragraph 15 at page 7 of your report: at the start of the pandemic there were about 2.4 million people in self-employed, zero-hours insecure work arrangements; is that right?

A. Yes, that's right. So this is sort of zooming in on those people who are in the most, sort of, insecure, the most precarious kind of work.

Obviously if you are self-employed and low earning, then you have, you know, very few employment rights, and some of these people will be amongst the most precarious in the workforce. And then 2.4 million people who are employees, but they do not have secure working arrangements. That might because it's a casual, seasonal or temporary job, or it might be because they're doing agency work or zero-hours contracts where they're not actually promised -- they're not -- they have no guarantee to work.

Q. And so, pre-pandemic, we have a position where there are certain sectors of the economy where people tend to earn less and tend to be in more vulnerable types of

employment. That is, not secure employment. Is that the --

A. That's absolutely right, yes. And as we said, those two things tend to go together.

Q. Right.

So let's move on to the second topic, then, which is the shock on the labour market in terms of inequality. And taking that as the starting point, of people in certain sectors that receive lower pay and have less secure employment, you've highlighted some of those sectors, hospitality being one example you've given, and the pandemic, we know, resulted in social restrictions, and did those restrictions impact those sectors?

A. Yeah, so the impact of the pandemic on the economy and the labour market was very, very unequal by sector. It varied enormously by sector, and that reflected various factors. Part of it was due to what counted as essential work during the initial lockdown, some sectors were effectively told to stop operating altogether. Some of that, it reflects which sectors found it easier to move to remote working than others. And some of it just reflects that with a contagious virus operating, people as consumers naturally wanted to do less of some activities than others.

So this is not a comment on lockdown as such; this

is also a comment about this is what happens when a contagious virus hits. People naturally will change their behaviour to avoid certain activities.

So it was very, very unequal, in terms of the sectors that were affected. Now, depending on whether we look at data on GDP or employment we might get a slightly different set of sectors being the worst affected but it's essentially hospitality, so accommodation and food services; it's arts, entertainment and recreation; and some of the other personal services such as hair and beauty.

On the other extreme, health and social work sector saw its, you know, its employment and its share of economic activity grow in the pandemic and there will have been other sectors like information technology where they were able to rapidly make the adjustment to home working and were essentially unaffected by the pandemic.

Q. And you summarise this in paragraph 5 at page 5, and I'll just ask if that can be put up on the screen.

You say there that the economic shock was felt very unevenly across different sectors and so was the impact on the labour market, and you list those sectors, and point out that these are sectors that disproportionately employ young and low-paid workers, and this is in the main, but not the only reason, why the impact of the pandemic was so unequal.

A. Yes, that's right. So hospitality, non-food retail and leisure are -- all depend a great deal on face-to-face contact and that's the reason why they were heavily affected by the economic shock of the pandemic. And then it just so happens that those are also sectors that tend to pay, tend to have below average pay, and it just so happens those are also sectors which might have more use of insecure employment contracts and where you might disproportionately find young people or ethnic minority workers.

Q. Is there an amplification effect that should be taken into account here? By which I mean if you look at pre-existing inequality in different sectors, and then look at the nature of the shock by sector, so it tends to be hitting those sectors where there is pre-existing inequality, you therefore have an amplification of the effect on inequality of the pandemic?

A. In the absence of any government intervention, if we'd just gone into lockdown, let the pandemic hit the labour market, we would definitely have seen a worsening of inequalities, both between high-paid and low-paid workers, and between the different kind of groups with different protected characteristics, as we've also said.

The sectors that were most heavily affected tended to employ low-paid workers and had disproportionately large numbers of ethnic minority and younger workers and so yes, inequalities in general would have increased when the pandemic hit.

Q. Thank you. Can we turn, then, to topic 3: the labour market interventions. So those things that the government did in the labour market, looking at their effect on inequalities and you've just touched at a very high level on that.

First of all, this pandemic, so its effect on the economy, or its effect on the labour market, was different to an ordinary economic downturn; is that right?

A. Well, the nature of the shock was different from the usual, you know, the usual economic shock in the sense it was very rapid and very concentrated in certain sectors. Then we had some very unusual interventions with the Coronavirus Job Retention Scheme and the self-employment scheme, and as a result of those two things, the, sort of, the story that the data tells us about how the pandemic affected the labour market is also very unusual. So in particular, there was almost -- there was only a very small rise in unemployment during the pandemic, which is very unusual

for a labour market shock, and instead, if you want to see the impact of the pandemic in the labour market you have to look at measures like the number of hours worked across the economy, all the level of economic activity across the economy.

It was also very unusual in that we bounced back very quickly at the end into relative normality by the end of 2021, and a more typical economic shock would have a longer -- you know, you'd see the impact for longer afterwards. So I'm thinking about the financial crisis or the recessions of the 1990s there.

Q. Thank you. And when we talk about labour market interventions, the principal interventions that you've considered, the Job Retention Scheme, the Coronavirus Job Retention Scheme, Self-Employment Income Support Scheme, Kickstart and Restart. They're the principal labour market interventions that you've considered; is that right?

A. That's right, yes.

Q. You deal with at paragraph 28 of your report, page 14, the objectives, the direct aims of the labour market interventions. So we'll just put that up on the screen. They were numerous. First, we see they're to prevent job losses, as a principal objective; is that right?

A. Yes, and in fact that paragraph 28.1 I think has

probably conflated two objectives. So the most important one was to prevent job losses. So the government was -- you know, did not want employers to have to lay off their staff for what it thought would -- might only be a temporary economic shock. And -- you know, so that's the most important objective behind the Job Retention Scheme. But what that paragraph also says is that the schemes were also trying to prevent households from seeing a large negative shock to their income when they're put out of work.

I've put those in the same paragraph but I think there probably two slightly different objectives.

LADY HALLETT: Actually, can I just -- sorry to interrupt, Mr Wright.

In fact that paragraph talks about the self-employment business dry-up, in other words it seems to be focused on protecting households, the self-employed households.

A. Yes, I may have blurred the two together in that paragraph. So the Job Retention Scheme was aiming to prevent job losses and also to protect the incomes of those people who would otherwise have seen job losses. For the Self-Employment Scheme, it's not about preventing job losses; it's just about protecting the income of those self-employed people whose business has

dried up.
MR WRIGHT: So we should separate that out. For those who were employed, the objective number 1 is to retain those jobs?
A. Yeah.
Q. For those who are employed or self-employed, second objective is to protect household income?
A. Yes, that's right.
Q. Okay.
If we could go back to the paragraph, please, we also see, at 28.2, the second objective:
"To protect employers from having to pay staff who couldn't actually do any[thing] productive [in the business] ..."
A. Yes, so the government would have been worried that had it not introduced the Job Retention Scheme, you know, and -- you know, that the -- if the heavily affected employers would have had the choice -- you know, would either have laid off their workers or would be eating into their profits by kind of retaining workers who were not doing any useful work. And it was trying to prevent any of that from happening.
I'm feeling the urge to go on to talk about scarring, but I'm not sure if this is the right time, counsel.

Q. Well, what would be the effect of that on scarring if you say -- if that -- obviously it occurs to you that this is an appropriate point to deal that -- (overspeaking) --
A. I think it is, yeah. I think that -- yeah, so the Job Retention Scheme, as I said, it was trying to prevent employers from having to let their staff go, because that is very disruptive to a business. So even if the pandemic had been a short, sharp shock, the Treasury, the government, would have wanted to prevent employers from having to let their staff go, because that process of finding good staff takes time and money and effort, and, you know, even a short -- you know, yeah. And that is -- the Treasury was worried that that process would have -- would have permanently harmed businesses.
Q. Is that not just finding good staff but also matching skilled workers to skilled jobs? So it's about matching their skills to the role?
A. Yes, that's right. I mean, there will be some jobs for whom, you know, there is a large pool of workers who could probably do that vacancy and there will be other jobs where it's harder to find the right match, and, you know, the Treasury was concerned that if we had made millions of businesses let their workers go, then it would have taken a lot of time, a lot of money, to build

them up again and some of those matches might not have been as perfect as they were before the pandemic. And that would have had a permanent impact on the business's profitability and the size of the economy.
So, just preventing those job losses from -- you know, from the point of view of the employer, was an important objective.
Q. I think if we just go back to the objectives, 28.3, you've made this point in passing, but another core objective was to enable employers to get back to business as soon as conditions allowed?
A. Exactly, yes. So the idea would be that if an employer can just put you on furlough, use the Job Retention Scheme, you know, the hope was that when the pandemic stopped, you know, that -- that person could, you know, immediately come back to work and start to be useful and productive again. If they hadn't had the Job Retention Scheme and you'd had to hire all your workers from scratch, that would have slowed down the speed at which the economy returned to normal.
Q. Then a final objective, really, that Kickstart and Restart were aimed at, 28.4, were for those who found themselves out of work, these were schemes designed to prevent them being unemployed for long periods of time, to get them back into the labour market?

A. Yes, that's right. So these are two schemes run by the Department for Work and Pensions which were aimed at younger workers and older workers respectively or sorry, younger adults and older adults respectively, and it was trying to prevent those people from suffering long-term -- long spells of unemployment, and that is because we know that individuals who experience long spells of unemployment can find themselves permanently disadvantaged in the labour market and that's particularly worrying for young workers.
Q. I think you also observed that it might also be said there was a broader macroeconomic aim, which was essentially to reassure business and households that the government was willing to act and could act quickly to increase confidence and prop up confidence in the economy in general?
A. Yes, that's right. The modern economy depends enormously on households' and businesses' confidence. And uncertainty is, you know, it can be a very dangerous thing. If people are uncertain or worried about the future, then they stop spending, if they're a household; they stop investing, if they're a business, and that can become a vicious circle. So a very important thing that the government did in its March 2020 budget and its subsequent activities was to try to reassure people,

businesses, employers that -- well, indeed that's what the Chancellor then said that "We'll do what it takes to support the economy."
And that is to try and yeah, keep confidence up and try and prevent the economy from getting into a vicious circle where everybody is hunkering down, no one is making long-term decisions.
Q. Thank you very much. So you in your report accept that there was an absolute need for urgent intervention at the start of the pandemic to implement policies to support the labour market; is that right?
A. Absolutely, yes, yes.
Q. So we've touched on what those interventions were. Can we move on in these topic to your view, first of all, about the Job Retention Scheme, as to whether it was well designed from the point of view in particular of addressing inequalities, and I think your overall conclusion is yes, it saved jobs as a fundamental; is that right?
A. Yes, so we should of course recognise that the Job Retention Scheme was designed extremely quickly, which is of great credit to the government. But yes, my assessment was that it was very successful in preventing widespread job loss, and it was fairly well designed, fairly well designed, from the point of view of

inequalities. So it was a scheme that, you know, came into effect very quickly. It was easy, fairly easy for employers to access, and those are all sort of good things from the point of view inequalities.
The government put a cap of how much of people's salaries it was reimbursing to try and prevent it from subsidising the earnings too much of those who might not need it. So that's also a good thing from the point of view of inequalities.
And people, government departments undertook evaluations that tried to look at whether it's successful in preventing job loss and their bottom line was that the Job Retention Scheme saved about 4 million jobs. So there are about 11 million people who were on the Job Retention Scheme at some point in the pandemic and those estimates imply that, had it not existed, about 4 million of those would have become unemployed.
Now, that doesn't mean they'd have been unemployed throughout the whole pandemic; they might have moved on to other work at some point but, you know, an increase in unemployment of 4 million would have been catastrophic for the labour market.
Q. And I think you also come to the broad conclusion that had the government not brought in the Job Retention Scheme, much of the impact would have fallen on less

advantaged workers, so inequality would have been exacerbated; is that right?
A. Yes, absolutely, yes, and we touched on that already and that is part -- that is mostly due to the unequal nature of the shock hitting certain sectors by more than others. And those sectors employing low-paid people or people from ethnic minorities or younger workers.
Q. You have identified some ways in which the scheme could have been better designed or refined in your view; is that right?
A. I have, yes. I think there are two areas. One is about the guidance provided to employers on which staff they could and could not furlough, and the other one is about whether employers had a right to be put on the Job Retention Scheme. So I'll tackle those in turn.
On first those, so guidance given to employers on who they could and couldn't furlough, there was some uncertainty at least initially at the beginning about whether furlough could be used for parents who were not able to work because of their caring responsibilities, and of course, that's particularly relevant when schools were only accepting children of key workers. And we know that impacted many mothers disproportionately.
And the second area where the guidance to employers I think could have been improved relates to employees

who were sick or self-isolating, and I know obviously Module 6 covered self-isolation support, but I identified in my report that essentially employers were not supposed to use the Job Retention Scheme to furlough employees who were sick or self-isolating, which to me seems like a missed opportunity.
And then I also identified some flaws in the sense that employees didn't have a right to go on furlough. So the Job Retention Scheme was a programme made available to employers and employers chose which of their staff they put on the Job Retention Scheme and which they didn't.
Q. If I could just come in there --
A. Sorry.
Q. No, because this may chime with the point you're making.
If we could have, please, from the Every Story Matters records, this is INQ000588209, page 68 of the record. We see there at the top, with the dark blue quotation marks:
"The furlough payment which I was entitled to was only payable if the employer applied for it. If the worker was entitled to it (I was) but the employer didn't want to apply, there was absolutely NOTHING that could have been done for me."
And that may chime with the point I think you're

making; is that right?
A. Yes, that's a very -- that's a very powerful story there, yes. So employers, you know, chose, themselves, who to put on furlough and who not to put on furlough. And so, you know, let's take an example of an employer whose business has been totally shut down or can't operate during the first pandemic. If they were employing their staff on casual or insecure contracts, if it was a zero-hours contract or temporary work, they could just take the option of making -- either giving that person no work, giving them zero hours work, or making them redundant, even though they could have put that worker on furlough and had their wages totally covered by the government.
So the employer might not -- you know, to the employer that makes minimal difference but to the employee that makes a massive difference, whether you're made redundant or whether you're put on the furlough scheme.
So, yes, the quote you've put up there seems -- looks like it's from somebody who was not able to take advantage of furlough and instead, you know, lost their work and might have lost their job.
But there's another quote on the same page from somebody who would have liked to be put on furlough but

instead was made to carry on working and then ended up doing more work. So, yes, there are several aspects to this point I was highlighting, that employees didn't have any say into whether or not they were put on to the Job Retention Scheme.
Q. Now, if that sounded like a good idea, to have a right to furlough, can you just help us to think about what it might look like? If you thought, well, it sounds in principle like a good idea --
A. Yeah, yeah.
Q. -- how would it, in your view, operate? How could it operate?
A. Yeah, and I -- I'm aware that what I'm going to set out may not have been realistic in April 2020 but I think it might be realistic in future, for a future furlough scheme, perhaps in less urgent times. But what I've suggested in my report is that it -- employees might have the right to go on furlough, just as employers now have the right to apply for flexible working.
So the rights to flexible work does not mean that you will definitely get flexible work, but it means that you are allowed to make a formal request to your employer to go on -- to have a flexible work contract, and your employer must consider that properly, and there are only a certain number of ways your employer can turn

it down, and if they don't do it properly you can appeal, you know, to an outside body.
So I was suggesting a similar sort of pro -- similar sort of right for future furlough or job retention schemes, that an employee should be able to make a formal request to go on them and that request would be, you know, denied only in a certain set of circumstances.
So that's one -- that's one way in which I'm imagining an employee might have a right to be put on furlough.
Q. So when you talk about a right to furlough, you're not suggesting there should be a veto given to the employee either way as to, one, whether they are or are not made to keep on working or, two, as to whether they are or are not made redundant rather than being furloughed? You're suggesting there could be a formal mechanism by which an employee has a right to request it?
A. Yes. I think what I've suggested is a -- is a light touch right one could imagine a sort of -- being more favourable to the employee. But I -- you know -- you know, you could imagine -- I mean, the government said all sorts of things during the pandemic, didn't they? Passing all sorts of laws one never imagined they would. But, yeah, a more extreme version would be preventing

employers from making their staff redundant and instead requiring them to use the Job Retention Scheme. But, you know, a sort of more modest proposal, which is still giving employers flexibility, would be to give employees the right to request. Employers can turn it down but they would have to have, you know, a valid reason for doing so.
Q. And in terms of other recommendations, and I'm going to take these briefly because they're in your report and I've got other ground we need to cover in the time, but you suggest, going forwards, an off-the-shelf job retention scheme, so one that can be stood up very quickly in any future pandemic; is that right?
A. Yes, other Europe -- some of the European countries have these kinds of scheme in permanent operation. We didn't have one and the Treasury designed one very quickly. But it is very likely that in future economic shocks or future health shocks we'll need this again, and so the Treasury must learn from the scheme that we had in place during the pandemic.
Q. Thank you.
LADY HALLETT: I'm sorry to interfere with your timing, Mr Wright.
MR WRIGHT: Not at all.
LADY HALLETT: Going back to the point you made about

furlough not applying to those who were self-isolating.
A. Yes.
LADY HALLETT: Was the concern there that people might just say, "Oh, I've been in contact with someone so I'm going to self-isolate so give me furlough"? What was the concern?
A. I'm afraid I don't know and I can't think of anything written down, that I've seen written down that explains that one. It was a very puzzling exception. I remember during the pandemic writing about the support given to self-isolation or employees who were sick. And we honestly couldn't work out why the Treasury had not done this.
LADY HALLETT: But how would you guard against fraud or illegitimate claims?
A. I mean, there were payments -- you're pushing my knowledge a bit. For somebody who was sick, you could rely on a doctor's certificate. For somebody who was self-isolating, I suppose you'd have to rely on the app pinging, wouldn't you? But there was a scheme, the self-isolation support payment which was given to low-paid workers who were self-isolating. I suspect you remember the details more than I do but I can't remember exactly how that verified but, you know, presumably you could borrow from that scheme.

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LADY HALLETT: Sorry to interrupt.
MR WRIGHT: No, not at all.
But you haven't seen anything that's set out clearly the rationale for not including self-isolation?
A. That's right, I haven't seen anything from the Treasury or HMRC that explains that rationale.
Q. But you also made the point about those with caring responsibilities, and in contrast, is this right, that that guidance was clarified quite quickly to make it clear that those with caring responsibilities could be furloughed?
A. Yes, it was clarified by April 2020.
Q. Yes, okay. Thank you.
Can we move on to the Self-Employment Income Support Scheme --
A. Yes --
Q. -- then?
A. -- yeah.
Q. And first of all, you identify that in the early grants of the scheme, there were arguable deficiencies in that the newly self-employed were not eligible; is that right?
A. That's right. There were three big exemptions or three classes of people who were not eligible for the SEISS grant. One was the newly self-employed. Another one

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was people who had more than £50,000 a year of self-employment income, and the third one were people who got less than half of their income from self-employment.
Q. So that meant that there were certain cliff edges in that scheme and if you went over a cliff edge, there was no support, is that --
A. Absolutely. It went from full support to nothing. So if you had £50,005 of income in self-employment, you got nothing; if you had 49,995, you were eligible for the grant.
Q. Looking on the other side, you also make the point in your report that there was a minimal need to verify that people had actually been adversely affected by the pandemic in order to claim under the scheme; is that right?
A. That is right, yes. Now, this changed slightly during the life of the pandemic but not by much and certainly in the first three grants all that was required was the claimant certified that they had suffered some downturn in their business.
Q. So you make the point inequalities work both ways, it might have meant that some people were over compensated by the scheme, relative to whether they'd actually lost money?

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A. Yes, that is definitely the case, that that happened sometimes.
Q. And I think you recommend, therefore, in your report that the improvements that were made over the life of the grants should be in place from the start in a future emergency, is that right, to soften those cliff edges and to increase checks and verification?
A. Yes, I mean the HMRC had great difficulty designing this scheme, I think this is clear in their own evidence, because they don't know the income or profits of the self-employed in anything like real-time. Now, that may improve in the future, because of the way that HMRC is collecting data, but that was the fundamental problem they had. What was surprising, though, was that they didn't introduce a system of clawback. So they could have said, "Well, we'll pay you this grant now but when we finally know your income from 2020, you know, we'll look at your income, we'll see whether it actually fell compared to previous years and if necessary we'll take back some of your SEISS grant."
So there were two things it could have done. One would have relied on actually knowing in real time how self-employed people were doing, which was difficult. The other one was a mechanism for clawback which it could have introduced but didn't. It would be great if

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either of those were available for future schemes.
Q. Yes. Thank you.
And you gave the Job Retention Scheme -- or you evaluated the Job Retention Scheme and you said yes, it did prevent greater inequality. What was your overall conclusion about the self-employed scheme, in terms of the impact on inequalities?
A. Well, we've touched on the sort of cliff edges in the Self-Employment Scheme and some of those definitely led to rough justice. You know, there are some powerful stories told by people who fell the wrong side of that £50,000 line or who got, you know, slightly less than their income -- slightly less than half their income came from self-employment and so got nothing. So there's definitely rough justice there, which is not ideal in public policy.
But probably the most problematic gap was in the fact that the newly self-employed weren't eligible at all, so you had to have been -- you had to have filed a tax return in the 2018/19 tax year, in order to be eligible. So if you'd started in the most recent 12 months before the pandemic hit, you were eligible for nothing. And that would disproportionately affect younger people who were kind of newly starting out in self-employment, or people with more volatile, you know,

employment history so were moving between jobs.
So that was a big flaw when it came to -- from the point of view of inequalities.
Q. Okay, thank you.
Can I move on, then, to social security interventions, and principally, the £20 a week uplift to Universal Credit and Working Tax Credit.
A. Yes.
Q. And depending on what the objective of the government was, and I'm going to ask you about two potential different objectives that may have been at play, one objective that we'll see in some of the evidence that's been suggested was that the schemes were designed to help those who were newly unemployed or who had suffered a loss of income. So this was about pandemic support for those who'd lost their job as a result of the pandemic, or lost income, and the £20 a week was designed to cushion that.
If that was the objective of the scheme, how would you evaluate its success in meeting that objective?
A. Yes, so it may well have been the case that DWP or the Treasury were concerned that not everybody would have been on the Job Retention Scheme, not everybody could have got the SEISS grant. There would have been some people who don't get either. And for them, the only

form of income protection came through the benefits system. And so the £20 a week would have helped cushion the income blow that such people experienced.
I think what I would say is that the degree of income protection provided by the benefits system even after that £20 a week increase was, on average, still much, much less than that provided by the Job Retention Scheme or by the SEISS scheme.
So, absolutely better than nothing but there was still a very big difference between the experience of people who were furloughed and those who were reliant on Universal Credit.
Q. So if we put that together with your earlier observations on furlough then, not your choice as an employee as to whether your employer furloughs you or makes you redundant.
If they choose to furlough you, you get the relatively generous support of the furlough scheme, 80% of your income. But if your employer chooses to make you redundant, then you are compelled to claim Universal Credit and it's £20 a week uplift?
A. Yes, that's right. So the basic rate of Universal Credit when the pandemic hit was £75 a week for a single person. That went up to £95 a week after the extra £25 (sic). So that's what you got as a single person if

you were made redundant and had to claim benefits. The alternative, on the Job Retention Scheme, was 80% of your previous salary. So for some people there'll be a massive difference between those two sums.
Q. Yes. Would the same general point be made about the self-employed scheme. If you were eligible for the scheme, you got the support that it offered. In contrast, if you missed it, for example because you earned £50,001, then there was a significant difference?
A. Yes, that's right. And again -- well, perhaps those of most concern would be the newly self-employed who were not eligible for any support. So, yes, for them, they might be able to claim Universal Credit and they would have got £95 a week.
Q. If the objective, however, had been to help everybody who'd experienced increased living costs, or was at greater risk of falling into poverty during the pandemic, how do you evaluate that the scheme met those objectives?
A. Yeah, well -- and so if that's -- we should also recognise that, as well as the £20 a week uplift to Universal Credit, the government also increased rates of Local Housing Allowance to provide more support to those who were renting. But -- and they also increased rates of tax credits, which went to some working families.

But they did not increase all social security benefits.

So the reason that was given at the time was that -- this is why I want to introduce the distinction between legacy benefits and Universal Credit benefits. So in 2020 the government was in the middle of a very large-scale benefit reform where it was phasing out some benefits and phasing in Universal Credit, but that process had not completed. And so there were still a million or so people receiving one of the old legacy benefits and about 2 million families receiving the old tax credits.

So the government said that it wasn't able to increase the rates of these legacy benefits as quickly as it was change the rates of Universal Credit. I'm sorry, I'm not implying that they were lying, I'm sure that is correct. Universal Credit was built from, you know, on a modern IT system and the government was able to change those rates very quickly. The legacy benefits were running on decades-old IT systems and it just wasn't possible to increase the rates of those benefits quickly. So they were not increased initially in April 2020.

So -- and that, I think was worrying, because those benefits that were not increased, included Carer's Allowance, which is a benefit that goes to people who

cannot work because they're caring for others, and it would have included some people on the old Employment and Support Allowance, which goes to people who are unable to work because of their health and disability.

So from the point of view of inequalities it was worrying that the benefits increase didn't go to some of those groups. I also think that although the initial decision in March 2020 was justified, it was surprising that the Universal Credit uplift went on for 18 months and throughout that 18 months the government didn't make any attempt to do anything for people on the legacy benefits.

Q. So even if operationally it was challenging or impossible at the outset, it went on for 18 months, and nothing was done for those who were not on Universal Credit?

A. Exactly, yes.

Q. Right, okay.

Can I pick up another point about the benefit cap.

A. Yes.

Q. The benefit cap was kept in place during the pandemic; is that right?

A. That's right, yes.

Q. The rationale for the benefit cap is it's designed to encourage people into work, that's the objective that

underlies it?

A. Yes, that's right. It applies to you if you are not in work, and do not have any disabilities.

Q. Yes. Can you think of any justification for keeping the cap in place during the pandemic?

A. Well, I've read the evidence provided by Neil Couling and the sort of story he tells is that if the intention was to support those who'd newly fallen out of work then it wasn't -- then it was okay to leave the benefit cap in place. I mean, there is a temporary -- if you have newly lost your job you are exempt from the benefit cap and so the argument would be that, you know, if those are the people we are trying to help, those who newly lost their job, then they won't actually be -- won't have to be affected by the benefit cap.

Q. Well, just pausing there.

A. Yes, of course.

Q. That exemption is for nine months, isn't it?

A. Yes, that's right, yes.

Q. And of course this extension went on for 18 months?

A. Yes.

Q. And if people hadn't found a job in that time they might not immediately be caught by the benefit cap but they could become caught by it?

A. Yes, that's right. And this feels like another one of

those decisions that might have been sensible in March 2020 when we hoped the shock would be over in a few months but becomes less justifiable as the pandemic goes on.

So yeah, if the intention was to provide support to people who have lost their job then perhaps it was okay to leave the benefit cap in place, but if your objective was to provide extra support to low-income families because the pandemic made life more expensive, then I would have wanted to see the benefit cap reformed, changed, increased.

Q. Overall, then, in terms of recommendations looking at social security payments, is at the heart of your report really the point you make about the difference between what you could have got if you were eligible for furlough or self-employed support as compared to the level of payment if you were in receipt of benefits?

A. Yes, absolutely. There was just such a marked difference between the income protection of those who were furloughed or on the SEISS scheme and the income protection provided to those who missed out on both and had to claim benefits.

Q. And you described it in your report as it "seeming unfair and hard to rationalise". What, in your view, is -- or are steps that could be taken to make it less unfair and to align the support across those sorts of schemes?

A. I mean, that comment was made in light of the generosity of the two schemes and the fact that, you know, there were some harsh cliff edges in the Job Retention Scheme and the SEISS scheme. Now, if the Job Retention Scheme and the SEISS scheme had been less generous then I might not have made this point quite as much. I think 80% was a fairly generous amount chosen by the government to support people's wages. They could have -- in a report we wrote in March 2020 we suggested two-thirds of previous earnings might have been appropriate. There's no science behind this, that's a policy choice.

So one way would have been to make the Job Retention Scheme and SEISS schemes less generous and of course the other way would have been to make the support provided to the newly unemployed more generous.

But then we do hit upon the DWP's objective which is that they felt they didn't have a way to identify those people who'd become newly unemployed and it may have been that had -- it may have been that had they been able to do that, they might have felt that they were able to provide more than £20 a week but because they had to provide the uplift to everybody on Universal Credit, they limited it to just £20 a week.

Q. Does that to you identify a gap in their data, their ability to see whether a person is newly unemployed, and to target support?

A. Yes, so the way Universal Credit works at the moment, you know, it doesn't really distinguish between whether you're newly out of work or whether you've been out of work for a long time, and I think the government were worried about -- well, their priority in March and April 2020 was to get something rolled out as quickly as possible and therefore it had to be as simple as possible.

Q. In terms of targeting, I mean what additional data do you conceive that DWP would need in order to better target support to those who needed it?

A. Well, I suppose if I think about it, I'm sure DWP probably do know who has become recently unemployed given the all the data they are collecting about their claimants, so perhaps it's an issue about, you know, the computer -- the IT system that calculates your entitlement to Universal Credit wasn't set up to make use of that information. So I think it's not -- that bit is not a data collection issue, that is an --

Q. An evaluation point that there wasn't the ability to monitor it as it was --

A. Oh, I see, well -- yes, in my report I touch on other

data deficiencies and one of them relates to monitoring and evaluation. I was -- we were the -- I and others at Resolution Foundation were very struck that during the pandemic it seemed that the Treasury and the ONS had very few real-time sources of data on people's financial circumstances, of the health of households -- not the health, the financial health of households in general, and it seemed that quite a lot of that information was being generated by outside organisations commissioning their own surveys.

So I did, I do think that there was -- that the pandemic showed, yeah, a lack of real-time data on the financial circumstances of houses which would help monitoring, which is different from the operation of policy.

Q. Yes. Okay. Thank you.

Can I move on, then, to fifth and final topic which is some questions about Long Covid.

A. Yeah.

Q. And I want to ask you first of all about whether or not you consider that there's a case for specific support for those who were suffering from Long Covid, and you deal with that in your report at page 56.

It's paragraph 131(2) if I can have that up, please.

A. Yeah, I mean, I carefully read the evidence submitted by

the Long Covid Groups, and some of the stories told there are terrible.

My view is that the UK social security system is not very generous to people who have fluctuating health conditions. So we have a rather binary social security system where you're either ill or not ill, and so if your condition fluctuates, then you might fall between -- you know, fall between two stools.

And the second point is that our system is not very generous to people who have a health condition. So that's both in the rates of Statutory Sick Pay and also in the rates of benefit paid through either Universal Credit or Employment Support Allowance.

So I -- my view is that the pandemic and the experience of Long Covid sufferers really brought those flaws, you know, to people's attention, and it meant that many more people were experiencing this themselves for the first time, and perhaps -- perhaps people who never thought they'd have to rely on the social security system.

But I'm -- I couldn't -- I can't see why a system specifically for people suffering from Long Covid was justified compared to other conditions which are fluctuating and long term.

Q. Yes. So -- thank you.

Can I turn, then, finally to one discrete area regarding Long Covid, and that is to ask you about the potential for Long Covid to have a long-term effect on the economy.

Now, Long Covid sufferers may become economically inactive if they stop working altogether, losing their jobs or going on permanent sick leave. If somebody became economically inactive, you would consider that ordinarily, wouldn't you, as an economic cost of the condition?

A. Yes, that's right.

Q. Yes. But do you agree that, in addition, there is a need to consider those who remain active in the labour market, but who have become less active as a result of their health condition, Long Covid in particular?

A. Well, that will be another way in which the pandemic or Long Covid is having a permanent effect on the size of the economy, yes.

Q. Because a decline in productivity is an economic cost; is that right?

A. I wouldn't call that a decline in productivity but it would be a decline in economic output.

Q. Yes.

A. So if people are working fewer hours, they are producing less, the economy is smaller.

Q. And that is a form of economic scarring from the pandemic?

A. Yes, absolutely.

Q. Do you consider that that form of scarring, from everything you've seen, was sufficiently taken into account in decision making? If you're unable to comment --

A. Um ... I don't think that was relevant for the Job Retention Scheme or the Universal Credit uplift, and so I don't think I can comment.

MR WRIGHT: All right, thank you very much.

Those are my questions. I think there are some ...

LADY HALLETT: There are. Mr Jacobs is -- oh, Ms Peacock, are you -- oh, it is Mr Jacobs.

Mr Jacobs, over there.

THE WITNESS: Thank you, yeah.

Questions from MR JACOBS

MR JACOBS: Dr Brewer, just a couple of questions, if I may, on behalf of the Trades Union Congress.

A. Yes.

Q. Those in the creative industries very commonly work in short-term PAYE roles or a combination of short-term PAYE and self-employed contracts.

A. Yes.

Q. They often fell in the gaps between the CJRS and the

SEISS, whether because they missed the cut-off dates for CJRS, or self-employed but less than half of their total income, or they were newly self-employed. They had the sort of rough justice that you've spoken about in your evidence.

How, in your view, in a scheme in the next pandemic could those gaps be narrowed?

A. Thank you, yes. What we -- what I haven't touched on so far is that the CJRS was an economy-wide scheme. So at no point did the government try to limit it to certain sectors. Even though, as the pandemic went on, there was overwhelming evidence that the effect was concentrated in certain sectors.

And so -- and so that suggests, you know, that one -- one route that could be available is that if it -- if it were limited to certain sectors, the design could take into account features of those sectors, you know, in more detail.

I've also touched on the fact that, in future, it may be that HMRC has better real-time information on the incomes and profits of the self-employed people, because of its Making Tax Digital programme, which should mean that it has information every quarter on people's self-employed profits, and that might allow a scheme like the SEISS to help the newly self-employed in a way

that just wasn't possible in 2020.

But I think in, yeah -- and then -- but then there would be another class of people that you're talking about who were employees but on insecure contracts. I mean, for them, I -- my suggestion that people have a right to furlough might be of help to such people if there were such schemes in the future.

Q. On the, sort of, first limb of your response, the sector-specific approach, there seems, in some respects, to be a trade-off in these schemes between fraud risk and rough justice?

A. **(Witness nodded)**

Q. And sometimes if you avoid rough justice, you have greater fraud risk. Might it be that a sector-specific approach enables that balance to be struck in a more effective, slightly less crude way?

A. Yeah, I think with the -- from the point of view of the Job Retention Scheme, the government went big and wide, and -- and -- because it -- I think its primary objective was to not let -- try to reduce the number of people falling through the gaps. Had it gone for sector-specific, it would have introduced new cliff edges, so new rough justice.

So for the JRS it was going wide. Probably for the Self-Employment Scheme it was more concerned about fraud, because it's sort of easier to -- you know, it's easier to see how you can defraud a Self-Employment Scheme than it is a job retention scheme. And there it had -- you know, there it insisted on you having to put in a tax return in order -- so that it could -- you know, as a way of preventing fraud.

Q. Yeah.

A. But, of course, it is worth noting that some of the devolved nations did have schemes applying to the newly self-employed which were on top of the SEISS scheme, and some of those did go to the newly self-employed. But they were a lot less generous. So the scheme in Scotland which was available to newly self-employed people, which might have included some people in the performing arts, only paid £2,000 as a one-off, whereas you could get two and a half -- you could get £7,500 a quarter from the SEISS scheme.

Q. A different issue, if I may.

A. Yes.

Q. The Job Retention Scheme required employers to provide earnings protection -- or provided earnings protection of 80% subject to an upper limit. But there was no lower limit, which meant that if someone was on minimum wage, or thereabouts, the 80% would leave them some significant way below.

A. Yes.

Q. Is that, in your view, a cause for concern? And particularly perhaps when viewed through the lens of inequalities?

A. Yes, there was certainly a call at the time for the minimum wage to apply even to people who are furloughed and obviously the people who are on the lowest wages will be those less well equipped to cope with any cut to their earning. So there is an inequalities case for that. On the other hand, the government would have said that there is always Universal Credit, and the benefits system available to you, and if you're on a minimum wage then it is quite likely that you would have been able to get some Universal Credit.

MR JACOBS: Thank you, Doctor.

LADY HALLETT: Thank you very much, Mr Jacobs.

Ms Sivakumaran, who is just there.

Questions from MS SIVAKUMARAN

MS SIVAKUMARAN: Dr Brewer, I ask questions on behalf of the Long Covid Groups and I'll be asking you about figures you give in your report about Long Covid.

Now, you've just given evidence that Long Covid could have led to scarring of the economy through a fall in the employment rate or the number of hours worked.

In your report to the Inquiry, and this is at

paragraph 58, I'm not asking it to be called up, you cite your autumn 2021 report, Begin Again, as finding that 600,000 adults were working less or not at all because of the pandemic but you also say that the majority were referring to mental health issues or fear of catching the virus rather than Long Covid.

You go on to add that 100,000 people mention Long Covid explicitly in the survey.

Now, we've gone back to that Begin Again report and it states that the rise in economic activity could be linked to Long Covid but there's no reference to numbers of how many people are reporting Long Covid.

So please could you help us just to understand these figures. Where did you derive the figure of only 100,000 people mentioning Long Covid from?

A. Right now I can't remember. I notice that earlier on in that paragraph I'm citing the report by Waters and Wernham which also had an estimate of 110,000 people not working because of Long Covid.

Q. Yes, and that was a separate report to the IFS study?

A. Yes.

Q. But again in terms of your Begin Again report, you'd listed number of -- you had cited a survey. Well, to assist you, it's a YouGov survey that you'd referred on?

A. Yes.

Q. But when we look at the Begin Again report we couldn't actually see any numbers within Begin Again about how many people had actually referred to Long Covid. Can you recall from the survey whether anyone was specifically asked about whether they were suffering from Long Covid and if that was impacting their productivity?

A. I'm afraid I can't remember. I understand the point you are making. It's -- I can't remember. I can't remember what led us to write this report, but as I say, we wrote it in good faith and we believed it to be the truth when I wrote it.

MS SIVAKUMARAN: Okay, thank you, Doctor.

LADY HALLETT: Thank you very much indeed. If you do remember or discover the answers to the questions --

THE WITNESS: Of course.

LADY HALLETT: -- just send them to us by writing, by email.

Thank you very much indeed for your help, Dr Brewer. I know it must be a very busy week for you, so thank you for sparing the time to come today and for all the help you've given us in preparing the report. And don't worry, of course we will very much be taking into account the full contents of the statement you've provided. So thank you very much indeed.

We shall break now and I shall return at 11.25.

(11.09 am)

(A short break)

LADY HALLETT: Ms Nimmo.

MS NIMMO: My Lady, may I please call Sophie Howes.

MS SOPHIE HOWES (sworn)

LADY HALLETT: I hope we haven't kept you waiting for too long.

THE WITNESS: No.

Questions from COUNSEL TO THE INQUIRY

MS NIMMO: Can you please confirm your full name to the Inquiry.

A. Yes, Sophie Howes.

Q. Thank you, Ms Howes.

You have produced a witness statement for this module with the number INQ000648237, which you signed on 26 June 2025. Can you confirm, please, that that statement is true to the best of your knowledge and belief.

A. Yeah, I can confirm that.

Q. Ms Howes, you are giving your evidence today in your capacity as Head of Policy at Child Poverty Action Group; is that correct?

A. Yes.

Q. And you explain in your statement that Child Poverty Action Group works on behalf of children across the UK

growing up in poverty, and which, using research that it's carried out with children and families, campaigns for policies to prevent poverty.

So I'll ask you first some questions about the profile of child poverty in the UK before the pandemic.

A. Yes.

Q. And in light of the terms of reference, setting out the Inquiry's remit, the focus of my questions will concern what the situation was in relation to child poverty at the time, as opposed to how it had come to be that way.

You outline in your statement that while there are different ways to measure poverty, Child Poverty Action Group prefers to look at relative poverty after housing costs on the basis that it more accurately reflects how much money families have left to live on compared to other households.

A. Mm.

Q. And the Department for Work and Pensions publishes data on child poverty. At the outset of the pandemic, how many children in the UK were living in relative poverty according to those statistics?

A. So those statistics show that 4.3 million children were living in poverty in 2020. And that it's worth noting that that was a record high at the time for the UK.

Q. Now you say in your statement that families with

children are at greater risk of poverty than the general population?

A. Yes.

Q. Why is that the case?

A. So that's for a few different factors. So families with children obviously have to meet the additional costs of raising those children, but wages don't adjust for family size. And also, at the same time that children, kind of, are born into a household, often the working capacity of parents is limited because they're caring for children, so they might be working on a more part-time basis, so their actual income is reduced at a time when household costs have increased, and so therefore there's -- that's where the risk of poverty increases.

Q. To what extent does financial support provided through the social security system play an important role in reducing child poverty levels?

A. It plays a really, really critical role. So if you look at the incomes of low-income families, they are hugely reliant on support from the social security system to top up wages often is the case. So, yeah, they are reliant on the support of the social security system to help them meet those additional costs of dependent children, and so when that system is cut back, which is

what we saw over the kind of 10-year period preceding the pandemic, they are left in a very vulnerable financial situation.

Q. So you say that low-income families with children are particularly financially vulnerable to economic shocks; is that the case?

A. Yeah, yeah. So we would say that they would have gone into the pandemic in a particularly precarious position because of their reliance on the social security system and what had happened to the social security system in the previous decade.

Q. Are there certain families for whom economic vulnerability is compounded due to inequalities in the labour market and the social security systems?

A. Yes, so there are certain groups of families that are more likely to be living in poverty. So black and minority ethnic families are more likely to be living in poverty, and that is often about additional labour market barriers that that group may be experiencing. Some demographic factors as well, so sort of the number of children in families. Also, children -- a higher proportion of children in poverty live in a household where somebody is disabled, so either a disabled child or a disabled parent. So those things will, again, as you -- they limit the kind of labour market participation of that household and so, therefore, they're more likely to be vulnerable.

There's also kind of demographic compositions that are worth thinking about, so families with very young children, children under five, are more likely to be living in poverty, lone-parent families are more likely to be living in poverty because there's only one earner in the household, and then larger families, so families with three or more children.

LADY HALLETT: Could you slow down, please.

THE WITNESS: Yeah, sorry.

MS NIMMO: You explain in your statement that children who grew up in poverty are less likely to have a well-paid job than their peers. That of course has implications for those individual children but why is that also significant for the wider economy?

A. So it's really significant for the wider economy. So child poverty has a huge impact on children's outcomes. So there is a substantial amount of research out there to demonstrate that it affects their developmental, their educational, and their health outcomes. And so what that means is that then you are less likely to be healthy in adulthood, you're less likely to be in employment, you're less likely to be in a well-paid job, and so all of those things impact on the kind of wider

performance of the economy.

So at CPAG we have conducted research to look at the cost of child poverty to the economy, the sort of public purse, and that research showed in 2020 that child poverty was costing the government around £37 billion a year. So that is in both cost to public services but also in lost tax revenue from people's earning potential not being realised.

So it acts as an economic kind of drag, essentially.

Q. During the pandemic, Child Poverty Action Group carried out various pieces of work on the economic impact of the pandemic on low-income families and children, including publishing reports on poverty in the pandemic, as well as weekly briefings which highlighted gaps in support.

And it shared these with the UK Government and devolved administrations, in order to inform their economic responses.

Do you consider that the UK Government and devolved administrations took the issues raised by Child Poverty Action Group into account in their economic responses?

A. I think we -- so we sought to share evidence from a very early stage in the pandemic. So based on our kind of survey and interview work with families but it's also just worth noting that we have -- at CPAG we have a particular expertise in social security law and we

collect case studies from frontline welfare rights advisers on a constant basis. So we were receiving, you know, over 100 case studies a month at this particular time.

So we really had a good understanding of what was happening on the ground and how some of the -- particularly changes to the social security system were playing out for families. And we sought to share that evidence in a kind of real time with the government during the pandemic.

I think it's fair to say that our engagement with government was not -- we didn't have much engagement at the beginning of the pandemic and I think we could put that in the context of, you know, it was an unprecedented time, but as the pandemic went on, I think there were key policy recommendations that we were making, and that were not implemented, and I think if they had been implemented, then the financial situation for low-income families would have not been quite as dire as it actually was in the pandemic.

Q. So I want to ask you now some questions about the economic impact of the pandemic --

A. Yeah.

Q. -- on low-income families and child poverty.

A. Yeah.

Q. We've mentioned the Poverty in the Pandemic reports?

A. Yes.

Q. What did they show about the extent to which low-income families experienced a deterioration in living standards during the pandemic?

A. Yes, so what those reports showed very clearly and this was -- so we conducted -- we published two reports, so one in August 2020 and one in December, so this really was from the first few months of the pandemic that we were able to see that families on a low income had experienced quite sudden income drops, so losses from employment, and then they were also experiencing higher expenditure. So they were spending more on food, on energy, on having children at home and needing to home school their children and the resources that were required to do that effectively.

But there were other factors too, so things like not being able to kind of shop around in terms of purchasing food, closure of charity shops, closures of sort of community support that low-income families are much more likely to be reliant on, so things like libraries or food banks, those types of things.

Q. Some people might think of the pandemic as being a time where people spent more time at home, and therefore it was an opportunity to perhaps save money.

A. Yeah.
Q. Was that the case for families living on low incomes?
A. No, it wasn't. So I think that's where you see a difference in terms of low-income families versus families who were kind of sort of middle or higher-income earners, is that low-income families will spend a much bigger proportion of their income on basic living costs, so covering the basics like kind of housing, utilities, food, and so when those costs go up, those families are particularly vulnerable, and it will impact on them in a different way in a way that -- higher-income households will be more likely to spend more of their income on leisure pursuits, and so when that was shut down during the pandemic, they were often saving money during that period where that just wasn't the case for low-income families because they weren't spending that money in the first place.
Q. Thank you.
So turning now to the extent to which the economic response of the UK Government was effective in supporting the financial needs of low-income families and children in poverty.
A. Yes.
Q. Did the UK Government introduce any economic support to help families during the pandemic that was specifically directed towards the costs of raising children?

A. No. I mean free school meal vouchers would be the thing that was targeted at children that was introduced, but in terms of the kind of big ticket economic interventions that I understand this module is looking at, that wasn't targeted specifically at children and families.
Q. I'll ask you now some questions about the effectiveness of specific economic schemes that were implemented during the pandemic, and meeting the financial needs of low-income families and children in poverty.
Firstly, the uplift to Universal Credit and Working Tax Credit. You say that Child Poverty Action Group strongly welcomed the uplift, and that without it the situation for children and families would have been much worse?
When the uplift was first announced, what did Child Poverty Action Group understand its purpose to be?
A. So I think we -- I mean, I don't think we were necessarily completely clear on what the government's, sort of, primary objective or motivation was. We were very, very welcoming of that step. We -- you know, as my witness statement says, the situation for children and families would have been much worse -- and I think we were very supportive of the idea of providing financial support through the social security system as a mechanism, as, like, the main way of getting money out to families with children, alongside other people who were using the benefit system at that time. But I think from the outset we were really clear that that -- the uplift -- the fact that the uplift didn't adjust for household size and didn't specifically think about the needs of individual households was a problem.

Q. That's a topic we'll come on to shortly.
A. Okay.
Q. Can we please have INQ000657741 on the screen, page 13, paragraph 38.
This is the statement of Katie Farrington, who was the Director for Universal Credit and Employment Policy during the pandemic, and she explains here that the objective of the uplift was to deliver:
"... additional financial support to people who were suffering disruption due to short-term loss of employment."
And that:
"... whilst [the government] recognised that families with children often [did] face particular financial pressures, and that people did experience hardship and additional costs during the pandemic, that that was not the focus of the uplift."

Then she goes on to say that increased costs were not part of the policy design.
Were there any consequences for low-income families and children in poverty of the fact that the uplift was not designed to help with increased or extra costs?
A. Yeah, I think there was real consequences of that. We, at CPAG, would say that that was a kind of false distinction that was drawn by the government to -- to really prioritise support for those who had been, kind of -- were newly unemployed. I think the first thing to highlight is that many people who are claiming benefits are working, so existing claimants of benefits will have been impacted by the same unemployment disruption -- employment disruption that everyone else was during the pandemic. So lots and lots of people claiming benefits were also losing employment.
And then I think, from the costs point of view, you know, again we would say that making sure that financial support is reaching those who are most likely to be experiencing financial hardship needs to be a primary objective, and that just wasn't the case, because there was no consideration of those rising costs that families on a low-income were experiencing.
Q. If I can just take you to explain that the statement to the Inquiry of the former Secretary of State for Work

and Pensions sets out that in any future emergency:

"... [the] government may want to consider if their focus at that moment was a substantial change in people's falling incomes or other factors like cost of living spikes -- which may impact more on those with children. This consideration should guide any future response."

You've touched on it in your previous answer. Do you consider that, in any future emergency, it would be beneficial if any uplift to benefits was introduced with the objective not only of helping those who'd lost income but also to help families who faced additional or increased costs?

A. Yeah, so we would want support to be tailored to household need. So I think any uplift that was introduced in a future emergency, we would want that to be reflective of how many people are in that household, what the financial costs that that household is going to be dealing with. I think it's also just worth highlighting, in terms of this -- the pandemic we've lived through, is that that uplift was layered upon a system that already was -- it had already -- wasn't providing people with the right amount of support, because of things like the benefit cap and the two-child limit, which meant that actually for families with

children they were already not receiving adequate levels of support to meet their household need and then they received an uplift that, again, wasn't reflective of household need.

LADY HALLETT: I don't follow, forgive me. I'm sure it's my fault. You're the expert in this field.

A. No, that's fine, yeah.

LADY HALLETT: How, do you, if you've got the system of Universal Credit, which I gather has a much better IT system than legacy benefits --

A. Yeah.

LADY HALLETT: -- but how do you tailor any uplift in Universal Credit to household -- how many in the household? I'm not following how that works as a matter of practicality.

A. So, how -- what we were calling for during the pandemic was that many would have been put into children's benefits, just -- specifically. So, instead of -- so we had a standard -- £20 on the UC standard allowance, which would have been -- basically meant that a single adult household would have got £20 and then a lone parent with three children would have also got £20. Whereas what we were calling for was that we welcomed the increase to the standard allowance but what we were saying was that there needs to be something that's

specific to children, and so that -- the easiest way to do that through the Universal Credit would be to increase the child element of Universal Credit.

So, you know, we were calling for £10 on child element. So then, you know, that lone parent family would get £50 instead of £20.

LADY HALLETT: I follow. Thank you.

MS NIMMO: Just to pick up on that point, it was a flat rate that was applied across the board to the uplift, but late in 2020 the former Secretary of State for Work and Pensions proposed modifying the policy design of the uplift so that the standard allowance and the child element of Universal Credit should each be uplifted by £10 per week.

Can we take from what you said that you would support that policy design in terms of being able more effectively to support household need and children in poverty.

A. Yeah, that would have been more effective at tackling child poverty, and I think we at CPAG would have been supportive of that change.

Q. The uplift was not applied to legacy benefits other than Working Tax Credit. Did Child Poverty Action Group have any concerns about that?

A. We did, definitely, and so I think we called throughout

the pandemic for the uplift to be applied to people in receipt of legacy benefits and I think, you know, again, there was maybe false distinction from government that somehow people on legacy benefits, because they were existing benefit claimants, just hadn't been financially impacted in the same way by the pandemic, and I think the evidence from our organisation and from many, many other organisations showed very quickly that that just wasn't the case. So I think there was a very strong argument for legacy benefits to have been uprated alongside Universal Credit.

Q. You mentioned the benefit cap, and the uplift did not factor into its policy design, benefit cap. You explain in your statement that there was a substantial jump in the number of families affected by the benefit cap at the start of the pandemic.

And Child Poverty Action Group in fact published a briefing in June 2021 which concerned that jump.

So if we could have INQ000608775, page 2 on the screen, please.

Q. We can see from this figure here that around February 2020, near the outset of the pandemic, that the number of households affected by the benefit cap is around 75,000; is that correct?

A. Yeah.

Q. Then there's a jump up to 170,000 households being capped by July 2020.
A. Mm-hm.
Q. And we know that the uplift was implemented in April 2020. To what extent was the increase in households affected by the cap the result of the uplift?
A. So I think a proportion of that figure would have been as a result of benefits being increased and therefore people are kind of reaching the threshold of how much you're allowed to receive if you are a benefit-capped household but also what you will see here is that lots and lots of families would have been newly affected by the benefit cap because they've lost employment and so they are therefore no longer sort of protected and they've been brought into the scope of the benefit cap.
So I think it's important to highlight that during the pandemic, and this is an issue that we raised time and time again with DWP, when we said that this number is increasing and that they needed to look at suspending the benefit cap during the pandemic, DWP would tell us in that situation that people who'd been newly -- who were newly unemployed would be protected by the grace period, so the policy works in that you have what's called a nine-month grace period where if you've just become newly unemployed, the benefit cap won't affect

you immediately. But what that fails to recognise is that you have to, in the previous -- I think it's in the previous 12 months you have to have earned a certain amount of money in a consistent way to then be eligible for the grace period.
So there would be lots of families who would be in insecure employment where their income sort of fluctuates month by month and so when they lost employment during the pandemic, they wouldn't have had that protection from the grace period.
So I think the main point is that within those 200,000 families that were subject to the benefit cap in February 2021, many of them, I would say the majority of those newly capped families, would have been in that situation because they've lost employment from the pandemic, rather than the -- they've received this £20 and that's sort of pushed them above the threshold.
Q. So you mentioned the grace period there. Can we take it from what you said that Child Poverty Action Group did not consider that the grace period provided adequate protection to low-income families receiving the uplift?
A. Yeah, no, we didn't accept that.
Q. Did the cap therefore then limit the extent to which the families who were on Universal Credit received the amount of the uplift?

A. Yes, because the way the benefit cap works is it's essentially -- it puts a cap on the amount of income you can have from benefits and so once you go over that, you just won't get that, so you might get -- you might not receive the £20 at all, you might receive half of it, you might receive a quarter of it, depends how close you were to the threshold. But I think it's just also, I probably should have said in the previous answer is that in that situation where people become newly unemployed and then newly impacted by the benefit cap, they would be experiencing a loss from their income from employment but then also they'd see their Universal Credit award come down because they have been newly benefit capped.
So they may face like a double whammy of an income loss.
Q. And you explain in your statement that it was difficult during the pandemic for claimants to modify their behaviour in order to prevent the benefit cap applying to them?
A. Yes.
Q. Why was that the case?
A. Because the rationale for the benefit cap is that it's supposed to be a work incentive, so it's supposed to, sort of, broadly apply to out-of-work families. But as

I said, you know, you can still be working a low number of hours and -- and be affected by the benefit cap.
But the ways to escape the benefit cap are to increase your employment, or to move into cheaper housing, because the reality is that the majority of benefit cap families live in areas with high rental costs -- so in London and the South East is an area particularly hard hit by the benefit cap.
So those are the two ways to, sort of, escape the benefit cap. And both of those options just weren't viable for low-income families during the pandemic. Moving house would have required them to ignore public health restrictions. Working for, you know, significant periods would have also required them to ignore those restrictions. And then I think, you know, families with children were managing children at home, so their barriers just kind of going out and participating in employment was -- was very high because there was no school or childcare available to them.
Q. If we could have INQ000608559 on the screen, please.
This is a letter dated 3 January 2021 to Will Quince the Minister for Welfare Delivery, and it's sent by a number of charities representing children, including the CEO of your organisation.
On page 1 we can see that it's explained that the

benefit cap prevents many households from benefiting from the uplift and the difficulties involved in avoiding the cap, in particular during the pandemic.

The letter then states that during a meeting with Mr Quince in September 2020, he said that the UK Government would review the interaction between the uplift, and the benefit cap. And the letter seeks an update on this.

Did Child Poverty Action Group receive a response in relation to the issues you raised about the benefit cap and the uplift?

A. We did receive a response, so we received a letter from the Minister of Employment at the time, Mims Davies, but in that letter she just reiterates the government support that's already being provided to families, and then says that the focus for government is now getting people back to work, and that the benefit cap is a work incentive, so they would be keeping the benefit cap in place.

So we -- it was never communicated to us what had happened with that commitment to conduct a review of the benefit cap.

Q. In your view, would the uplift, therefore, have been more effective in providing financial support to low-income families if its policy design had taken

account of the benefit cap?

A. Yes, it would have meant that financial support would have reached low-income families more effectively if the benefit cap wasn't in place.

Q. Thank you.

The uplift came to an end in October 2021.

And if we could have INQ000655625, page 21, paragraph 330 on the screen, please.

This is a statement provided by Neil Couling, who was the senior responsible owner for Universal Credit during the pandemic. And he says:

"As the uplift was designed to be a temporary measure, no formal impact assessment was conducted ahead of its withdrawal. However, the poverty impacts of the uplift ending had been modelled prior to the decision to extent the uplift."

What assessments concerning the impact of the removal of the uplift would Child Poverty Action Group have expected the UK Government to carry out to inform its decision to remove the uplift and when would you have expected them to have been conducted?

A. I mean, I think we were very much, in our conversations with DWP and our engagement with ministers, encouraging them to really think about what removing the uplift would mean for households on the lowest incomes, and

particularly low-income families with children. So I guess we would have wanted them to be taking into account the poverty impact of removing the uplift. Which we knew was really high, so we were -- modelled that ourselves at CPAG and put that to be between 300,000 and 350,000 children being pushed into poverty if the uplift was removed.

But I think also kind of alongside those sort of stark numbers, in terms of poverty figures, there was also just a need for DWP to be carrying out analysis of, you know, what -- what was the reality for children and families during this time. And I think what we saw is that they had, you know, faced a double whammy of sudden income losses, rising expenditure, on top of the fact that they'd gone into the pandemic in really precarious financial circumstances. You know, they didn't have savings, they didn't have a cushion. And so just DWP factoring all of that into decisions around whether or not to extend the uplift, like, that's what we would have liked to have seen.

Your question around, kind of, timings, I think it's hard to say when was the optimum time for government to be doing that, but I think from CPAG's side we -- it was very clear to us within about three months of the pandemic that that was the situation for families. So,

you know, the government had quite a lot of time sitting with that information and analysis about what the reality was and it didn't -- didn't seem to be being factored into decision making.

Q. So, notwithstanding the position of Child Poverty Action Group that the uplift should be made permanent, do you consider that the time at which the uplift came to an end was appropriate?

A. No, I don't think we did because we felt that families were still living with the enduring economic impacts of the pandemic. So I mean, that's reflected in our Poverty in the Pandemic reports where you see that families were reporting more of a deterioration of living standards as the pandemic was going on. So, actually, you know, at this particular point, I think family finances were not in a good place. So at a minimum, we would have liked the government to have extended the uplift further than it did.

Q. Now you say in your statement that the suspension of in-person Jobcentre appointments during the pandemic caused some issues for people who faced challenges with digital literacy, given that new benefit claims were made online and in-person support from charities was unavailable. Do you consider there was adequate support put in place to support that group of people to make new

claims for benefits during the pandemic?
A. Yeah, I mean, the DWP introduced a number of what were called easements to Universal Credit processes during the pandemic, and we welcomed many of them. So, some of them were things that we had called for prior to their introduction, so making it easier to make a claim. And then also, sort of, relaxation of conditionality, so where you're asking somebody to come into the Jobcentre, you know, say, weekly or fortnightly appointments, putting a suspension on those things, we really welcomed those steps.
But yes, I mean, I think during the pandemic, there were obviously issues in relation to people needing to access welfare rights advice to support them to be able to make a claim, or, you know, similarly getting that support from a Jobcentre. That was not as available, and that would have had an impact.
There were also consequences further down the track of DWP suspending certain requirements in terms of making a Universal Credit claim. So one of the things was a sort of light touch approach to identity checks at the beginning of a Universal Credit claim, but then what the DWP did is retrospectively seek to then verify those claims.
Q. If I could just pause you there just specifically on the

digital exclusion point.
A. Okay, yes, that's fine.
Q. If you think there's more that could have been done --
A. Yeah. No, I think there definitely could have been more that could have been done to make sure that people could access independent welfare rights advice and then also support to be making claims which, like, normally you would be getting that support from a Jobcentre, and Jobcentres were disclosed.
Q. So turning then to the Coronavirus Job Retention Scheme. And Child Poverty Action Group collected evidence on the impact of furlough which identified a number of issues with that scheme for low-income families including issues relating to their ability to cover essential costs, the coverage of the scheme, and the benefit cap. Could you just expand on those issues which you say arose for low-income families under the furlough scheme?
A. Yes. So I mean, I think the first thing to say about furlough is that, you know, it was a hugely welcome -- we really welcomed it as a measure and it would have played a big role in preventing poverty. So furlough was targeted more at sort of -- or maybe not targeted but in terms of households that were in receipt of furlough, they were more middle-income households than, say, the Universal Credit uplift, which was more

targeted at lower-income households. But it would have played a real role in preventing poverty because in a situation where you didn't have furlough, those families, those middle-income households, would have then experienced a very sharp and sudden income drop if they had then been claiming Universal Credit, for example, and that probably wouldn't have met their living costs.
So it played a role in terms of poverty prevention and we really welcomed that.
I think there were some gaps in coverage in terms of people who could actually access the scheme. Obviously, the decision was with the employer about whether to furlough people, and there was a correlation between people who were in low-paid and insecure work not being furloughed and so then being kind of reliant on other types of support, and I think we had concerns about that.
Because furlough was at 80%, that also would have meant that for families on the lowest incomes, that 80%, that sort of income drop would have been more significant for them than households on a higher income. So yeah, there were a few sort of gaps in coverage and then also the amounts that people were receiving at the kind of lower end of the income distribution would have

been notable.
Q. So we've discussed today a number of different interventions that were put in place. Can I ask you, taken overall, did the package of economic interventions which were put in place provide adequate support to low-income families and children?
A. So I think the combination of the uplift and furlough did a lot of heavy lifting in terms of protecting families' incomes. However, I think the fact that the amounts in Universal Credit were still not adequate, because of that history of the wide-scale kind of cuts to the social security system that preceded the pandemic, and policies like the benefit cap and the two child limit that placed further limitations on support, I think even with the £20, we felt that children and families' needs were not being reflected in those economic interventions. They were not being considered as entitled to economic support in and of themselves.
Q. Thank you.
I just want to ask you now finally a few questions about recommendations.
A. Yeah.
Q. Do you consider that government planning for any economic response in a future emergency should include a policy option of a more targeted intervention through

the social security system based on household need?

A. Yes, I think we would be supportive of the idea that any future intervention needs to reflect household need, but arguably we need to have a social security system that also does that.

Q. Do you consider that a dataset which was capable of tracking UK household incomes and living standards would be helpful in a future emergency in enabling the government to target support through the social security system to households based on financial need?

A. I think potentially it could be. I think we would say that the best way to ensure that those on the lowest incomes and families on the lowest incomes are protected in a pandemic is to make sure that we have a robust social security system in normal times because that would mean that they're kind of more financially resilient going into a pandemic and then the system is able to be pulled as an effective policy lever to protect incomes.

So I think making sure that that system is effective all the time is the biggest thing that the government could do in terms of improving its economic response to a future pandemic.

MS NIMMO: Thank you very much, Ms Howes.

My Lady, those are my questions for Ms Howes, but

there are some CP questions.

LADY HALLETT: Thank you, Ms Nimmo.

Mr Jacobs, who is over that way.

MR JACOBS: My Lady, I think my direct question about the impact of the 80% earnings protection under the retention scheme has been answered, but I wondered if instead I might ask a follow-up question about how it interacts with the Universal Credit?

LADY HALLETT: All right.

Questions from MR JACOBS

MR JACOBS: I'm grateful.

Ms Howes, Dr Brewer this morning quite helpfully pointed to what might be a sort of counterargument about the impact of the 80% or the drop of 20% in the Job Retention Scheme suffered by those on the lowest incomes, which is that there is also the support network of Universal Credit.

A. Mm.

Q. Do you have a reflection on the extent to which Universal Credit does solve the problem of a 20% drop for those who are reliant on the Job Retention Scheme?

A. Yeah, I mean, I think -- I sort of reiterate my point earlier of, kind of, any income drops for those families on the lowest incomes are going to be more keenly felt. So that, kind of, difference between 80% of your salary

and a 100% of your salary is going to impact in a different way on low-income households.

Universal Credit is a dynamic benefit and it does support people in work, so it would play a role, but I think we would argue that the amounts of -- that people receive within Universal Credit, even with the £20, was just simply not adequate. So even though support was available through Universal Credit, we would say that that just wasn't enough to protect people from poverty and make sure that they can meet their basic living costs.

MR JACOBS: I'm grateful. Thank you very much.

Thank you very much, my Lady.

LADY HALLETT: Thank you very much, Mr Jacobs.

I think that concludes all the questions we have for you, Ms Howes. Thank you very much indeed for your help. I'm not sure the stenographer is ever going to forgive me -- perhaps the two of us, who speak very quickly, but thank you very much for providing your statement. And I'm sure colleagues helped you. Thank you to them as well.

THE WITNESS: Thank you.

MS NIMMO: My Lady, the next witness is Kamran Mallick.

LADY HALLETT: I've kept you waiting a bit longer, Mr Mallick, but I notice you've been watching events

anyway.

THE WITNESS: Yes, thank you.

LADY HALLETT: Sorry for the delay.

MR KAMRAN MALLICK (affirmed)

Questions from COUNSEL TO THE INQUIRY

MS NIMMO: Can you please confirm your full name to the Inquiry.

A. Yes, my name is Kamran Mallick.

Q. Thank you, Mr Mallick.

You've produced a witness statement for this module with the number INQ000652758, which you signed on 4 September 2025. Can you confirm, please, that that statement is true to the best of your knowledge and belief.

A. Yes, I do. I confirm that.

Q. Mr Mallick, you're giving your evidence today in your capacity as Chief Executive Officer of Disability Rights UK; is that correct?

A. That's correct.

Q. And you explain in your statement that Disability Rights UK is a leading national disabled people's organisation, that is an organisation which is majority led, directed, governed and staff by disabled people, and it provides services to and represents the interests of disabled people in the UK; is that correct?

A. That's correct, yeah.
Q. It is also a member of the Disability Benefits Consortium, which is a coalition of charities which carries out work to ensure that the benefit system meets the needs of disabled people?
A. That's correct, yeah.
Q. So I'm going to ask you now some questions about the economic circumstances of disabled people in the UK prior to the pandemic. And in light of the terms of setting out the Inquiry's remit, the focus of my questions will concern what those circumstances were as opposed to how they had come to be that way.
You explain in your statement that disabled people generally face additional costs compared to non-disabled people. Why do disabled people incur extra costs and what do those costs generally relate to?
A. So there's a wide range of reasons why we, as disabled people, experience greater everyday living costs. And as I've said in my statement, at the last, kind of, review, that figure is around over £1,000 a month, and that's projected to continue to rise.
And the kinds of things that affect that are:
Utility costs. So higher heating costs, for example. If, because of your health condition, you can't regulate your body temperature, it might require

you to have the heating on much longer or at much higher temperatures.
Specific dietary requirements, because of your health conditions, so you may have to buy specific types of food.
Equipment. So actually purchasing equipment, that can be quite expensive, to aid your everyday independent living.
Transport costs. So the transport infrastructure in the UK is not universally accessible and, so, many disabled people would rely on kind of taxis, minicabs, or private hire vehicles which often are far more expensive than what non-disabled people would experience.
Q. What impact do those extra costs have on the ability of disabled people to build up savings?
A. So I think that to understand that context of how those additional costs impact, it's also important to remember that you're often starting from a much lower point when compared to an equivalent non-disabled person. So you're often on lower incomes from the starting point, so whether that be through employment where you're not being paid the same as an equivalent non-disabled person, we've talked about the pay gap, disability pay gap, as well as the rates of disability employment,

disabled people who are in employment.
So you're always starting from a lower financial position anyway, and then, when you have those additional costs that are every month, it does mean that you are unlikely to put away as much in your pension for future kind of protection but also finding it very difficult to actually just have savings. And that kind of speaks to your resilience to these kind of shocks.
Q. So as you say, that can leave disabled people financially vulnerable to economic shocks and any sort of sudden change in their financial circumstances?
A. That's correct, yeah.
Q. In relation to of the social security system, you say in your statement that:
"... for many disabled people, living on benefits is not a temporary measure pending them finding a job, it is a long-term existence."
At the outset of the pandemic, were a number of disabled people therefore reliant on the social security system to meet their essential costs?
A. Yes, yeah.
Q. During the pandemic, Disability Rights UK engaged with disabled people to obtain evidence about their economic experiences and both published and contributed to various reports setting out its findings.

You also shared those findings with government decision makers through correspondence, meetings, and various forums. Was that with a view to informing the government's economic response?
A. Yes, we always wanted to kind of support government to enable them to make the best decisions but decisions that are informed by lived experience of disabled people who we knew very well.
Q. I'm going to ask you now some questions about the economic impact of the pandemic on disabled people.
You explain in your statement that in April 2020 the Disability Benefits Consortium carried out a survey of disabled people to find out to what extent they had faced increased costs as a result of the pandemic.
Could we please have INQ000508218 on the screen, please, page 3.
And this article concerns the results of that survey. And we can see there that 95% of respondents to the survey said that their costs had increased as a result of the pandemic.
And if we scroll down to the following pages, a number of increased or additional costs were identified as being associated with food, utilities, managing health, and travel and transport. Can you tell us a bit more about why those essential costs may have

increased specifically for disabled people during the pandemic?

A. Yes, so if, just taking food as a starting point. If, you know, traditionally you went out and bought food or you got someone else to come and support you to go to the shops and actually buy the food yourself, you then found yourself in a situation where you weren't able to do that, and you had to rely on online shopping, where often, you know, the kind of the bargains that we might all look for when we go to the supermarket, you can't identify them, you're having to pay delivery charges. So that kind of increases the cost of food. Often online orders would have minimum level of orders so you have to order a certain amount before they would deliver.

You are likely to be at home longer. So if, for example, you're unable to leave the home, you're at home longer so your utility costs are likely to go up. If the care that you've been receiving isn't being provided because your carer team is isolating, you may have to bring in, at short notice, other private care, so that will be higher charges, as well. So there's kind of all sorts of reasons why disabled people were disproportionately impacted during this time.

Q. You also refer in your statement to a report by the

Joseph Rowntree Foundation in December 2020. What findings did that report make about the extent to which the finances of disabled people had been disproportionately adversely impacted by the pandemic compared to those people without a disability?

A. So that report talks about the use of food banks, the numbers of people, disabled people, who resulted in using food banks. The fact that the number of -- over half of people living in poverty would be disabled people living in those households. So those additional costs would just exacerbate the kind of poverty levels that disabled people were already experiencing before they entered the pandemic.

Q. In terms of loss of employment during the pandemic, were people with a disability more likely to lose employment or income during the pandemic than people without a disability?

A. So what the data showed is yes, disabled people were -- found themselves more likely to be out -- made unemployed through -- by employers letting people go. So that directly impacted on disabled people's income. In terms of furlough, again, I think it's already been said that disabled people didn't have the choice to request it, but again, what the figures showed is that not as many disabled people would be furloughed as

non-disabled people.

Q. And to what extent were young disabled people in particular affected by job losses during the pandemic?

A. Yes, so I think if you're a young person and you're starting off in your career, you may well be at what are called entry-level roles, that were often the ones that were the hardest hit. We've heard that certain industries where those kinds of young people might be employed, were the ones that were laying people off the most.

So that, as well as if you're, kind of, a young person who has recently left education looking for your first work, that would then prove impossible particularly because of the lockdown and how interviews might be happening.

Young disabled people often find themselves where they spend a lot of time working for free, kind of volunteering, to try to gain experience which in this situation meant that they weren't able to do that either.

Q. Turning now to the extent to which the economic response of the UK Government was effective in meeting the financial needs of disabled people.

Was Disability Rights UK consulted sufficiently by the UK Government in relation to its economic response?

A. No, would be the straight kind of answer on that. And we weren't -- I wouldn't regard it as adequate consultation of any sort.

Q. And why do you say that?

A. Because we, as kind of the evidence bundle shows in my report, we consistently throughout the two years wrote to government, wrote to ministers, raised issues, raised issues with, kind of, signing letters that other organisations were writing. We tried to engage with ministers. We wouldn't really get what we would call consultation or actual engagement. Often, what it was, was kind of piecemeal conversations, responses to our letters that were largely dismissive of what we'd said, would often not respond to actual points that we were raising, and where we did get to meet, those were kind of unstructured conversations. It was largely about us being told what government was doing the rather than working with us to look at their plans.

Q. What benefit do you consider that consultation or more effective consultation with your organisation would have had for the effectiveness of the UK Government's economic response?

A. Well, when you're faced with this huge pandemic shock, in order to design systems that actually work for the most marginalised people in our society, you can't do that unless you've got those very people and those voices and lived experience in the room where those decisions are being made, because with the best will in the world, unless you live that life, you don't understand how it's structured and what the impact of decisions being made will be at the delivery point.

And kind of moving away from just pure consultation to actual engagement is what we've always asked for.

Q. Taken overall, as a package, do you consider that the economic interventions which were put in place during the pandemic provided adequate financial support to people with a disability?

A. So overall I would say no. So while, you know, we've heard today about the furlough scheme where it did support certain types of people, certainly when we talk about disabled people, the overall package of support was wholly inadequate.

Q. And I'll come now to ask you about the effectiveness of those specific schemes in meeting the financial needs of disabled people.

Firstly, the uplift to Universal Credit and Working Tax Credit. Did Disability Rights UK welcome the uplift?

A. So we welcomed the uplift to -- of the £20 a week on Universal Credit. Yes.

Q. With the exception of Working Tax Credit, the uplift was not applied to legacy benefits. Was it the case that at the outset of the pandemic, there were a number of disabled people in receipt of legacy benefits?

A. Yes, so there was, you know, thousands of disabled people who were still on legacy benefits and there was a plan, a migration of moving disabled people from legacy to Universal Credit, but that hadn't been complete. And that migration also offered disabled people a migration protection. So if, as you moved, your new assessment on Universal Credit meant that you were assessed for less amount, you would be offered a period of protection of the level of money that you had on legacy benefits. So the migration process was important for people to wait for.

Q. To what extent do disabled people make up a disproportionate amount of legacy benefit claimants?

A. I don't know the exact kind of figure or kind of percentage of disabled people on -- who would be on legacy benefits, but all disabled people who, you know, before the introduction of Universal Credits, would have been on a legacy benefit and were being migrated over several years.

Q. Thank you.

On 27 March 2020, Disability Rights UK contributed

to a letter which the Disability Benefits Consortium wrote to the Secretary of State for Work and Pensions calling on legacy benefits to be uplifted and also for the five-week waiting period for the first payment of Universal Credit to be removed. Why did you consider it necessary to ask the UK Government to make those changes?

A. So on the £20 uplift on legacy benefits, as well as that particular letter, we asked for that consistently, because, as, you know, a phrase we've heard today is, kind of, rough justice to say to people that because of a government's IT system there is no way that we can support those individuals, and we just have to leave them. Or the answer was to apply for Universal Credit, and if people did that, they would then not get the migration protection.

So there was a disincentive there as well.

But also, to use, in the middle of a pandemic, that temptation to say, "We can move you to Universal Credit now, let's transition you now", just feels fundamentally the wrong time to be doing that, and using that as the way of moving people to Universal Credit during a pandemic rather than thinking about the financial impact that they were experiencing right now and applying the £20 on the legacy benefits.

Q. You just told us that you wrote on a number of occasions to ministers.

A. Mm.

Q. Another occasion was on 15 June 2020 when you wrote to the Minister for Disabled People, and asked the minister to confirm why Employment and Support Allowance had not been increased and whether any monitoring of ESA claimants had taken place to see if they needed the increase. Did you receive a response on those points?

A. Well, when we do get responses from government departments and the minister, often it doesn't respond to the specific questions that we're asking, and what we tended to get was often reasons why they were unable to do something rather than, kind of, addressing specific points that we may ask.

Q. So, overall, what impact did the decision not to extend the uplift to legacy benefits have on disabled people?

A. Well, the things we heard from people who rang our helplines and what we heard from our networks was that it was the difference literally between choosing to eat a meal or choosing to stay warm. It was as stark as that.

And with, kind of, thinking about the fact that, you know, you're already starting from a worse position, you're then left where -- where you're not given the uplift but all your other costs are going up. It was literally as stark as that. So, you know, people were choosing to go without food.

Q. Thank you.

When the then Chancellor first announced the uplift in March 2020, he explained that the uplift would strengthen the safety net. And when he announced the six-month extension of the uplift, he stated:

"... we're also extending our support for the lowest paid and most vulnerable. To support low-income households the Universal Credit uplift will continue for a further six months."

Now, you say in your statement that the Chancellor's mentioning about the uplift was inconsistent with its decision not to extend it to legacy benefit claims. Why do you consider that to be the case?

A. Sorry, why do I consider ...?

Q. His messaging around the uplift to be inconsistent with the decision not to also uplift legacy benefits.

A. So if you're talking about protecting the most vulnerable and then you leave out the thousands of people who are on legacy benefit, then that is a mixed message, to say that "We are protecting the most vulnerable, but only those who are in receipt of a particular type of benefit, and nobody else."

Q. When the uplift was first announced, what did Disability Rights UK understand its purpose to be?

A. It was -- well, we were told that it was being done for a period of time to support people during the pandemic, to assist with, you know, the higher costs. Yeah, that's our understanding of it.

Q. Could we please that have INQ000655625, page 15 on the screen.

And this is a witness statement provided to the Inquiry by Neil Couling, who was the senior responsible owner for Universal Credit during the pandemic.

And he explains at paragraph 3.8 that:

"The [aim of the government in providing the uplift] was to financially assist those who face significant disruption, particularly those who lost, or were at risk of losing, employment or significant earnings and were making a new benefit claim for the first time."

And then, at paragraph 3.9, Mr Couling goes on there to say that:

"The Universal Credit IT System could not differentiate between those who claimed because of the effect of the pandemic and those claiming for other reasons, so the uplift was applied to every recipient of Universal Credit."

And he explains that this meant that the uplift was:

"... still not quite as targeted as Ministers would have liked, and existing Universal Credit claimants received an unavoidable windfall."

Were there disabled people who were existing Universal Credit claimants before the pandemic who nonetheless experienced financial disruption as a result of the pandemic?

A. Well, yes, absolutely. So, you know, the impact of the pandemic was felt universally by disabled people, and so whether you were on Universal Credit or legacy benefit prior, you would have experienced the impact of the pandemic itself.

Q. And you mentioned there that equally applies to those on legacy benefits before the pandemic; is that correct?

A. Yes.

Q. In your view, would it have been beneficial if the government had introduced an increase in benefits to help not only people who had lost employment or income, but also people who faced additional or increased costs as a result of the pandemic?

A. Yes, absolutely.

Q. Kickstart. Kickstart was a job creation scheme during the pandemic for young people on Universal Credit. Did you welcome Kickstart as a potential means of supporting young disabled people to enter employment?

A. So we absolutely -- of course we welcomed Kickstart when we first heard about it and what it was trying to do. But I think often with these things it's what the detail tells you about who is actually eligible for it and how it works. So that's where our concerns came. But initially, yes, we absolutely welcomed it.

Q. I'll come on to those issues now about eligibility.

And if we could please have INQ000592945 on the screen, please.

We can see from page 1 here that this is a submission dated 19 February 2021 which was provided to the Secretary of State for Work and Pensions. And it concerns access to Kickstart for young people on legacy benefits, as well as young people on Personal Independence Payments.

We can see at the bottom of that page there that the recommendation provided is that Kickstart should continue to be limited to people aged between 16 to 24 on Universal Credit, especially as the link between Kickstart and Universal Credit is perceived as a potential incentive to encourage legacy claimants to transfer to Universal Credit.

And it goes on to say:

"The option to expand to further groups of claimants with disabilities and health conditions is considered for a potential further phase of Kickstart to run beyond the life of the current scheme."

If we could then have INQ000658355 on the screen, please. And this is a private office note to the Secretary of State for Work and Pensions dated 3 March 2021, concerning the submission on expanding Kickstart eligibility, and it explains that the submission on eligibility followed a request from the Minister for Disabled People to look into whether support or opportunities for disabled people could be increased as he's concerned there is nothing in the plan for jobs package for them.

So first, did you have any concerns about the support available for disabled people in the plan for jobs?

A. Yes, I mean, there wasn't a specific plan targeting disabled people with regards to employment.

Q. And if we could just have that note back up on the screen for a second. We can see there that the note goes on to explain that the submission advises against the expansion of eligibility due to policy design challenges, and that there is also the argument that only having eligibility on Kickstart may act as an incentive to move across to Universal Credit.

And on the right-hand side of the document we can

see the Secretary of State's handwritten response, and she says:

"I agree it should be seen as an incentive to move to Universal Credit and keep it as a feature."

Do you consider that opening Kickstart up to young people on legacy benefits or Personal Independence Payments would have been beneficial for young disabled people.

A. Absolutely, because the experience of disabled people and the immense amount of barriers that disabled young people experience in gaining employment, anything that can support young people to get into employment will be positive, and to then restrict it in this way ...

Q. And in the circumstances of the pandemic and the job losses that you've told us about, are there any reasons why you think it would have been useful in the context of the pandemic?

A. Yes. So, again, you know, what -- what we know is that, kind of, entry-level jobs, lower entry-level jobs, lower-paid jobs are often the ones that are most at risk, and often young disabled people are likely to be in more of those entry-level jobs than more, kind of, senior roles. And, therefore, having a scheme that you can then access to help you get back into the workplace is really important.

And we know that it takes much longer for a disabled person to find employment. And particularly you've been out of work for a year or so, the chances of getting back into employment kind of accelerate in how long it's going to take you to find employment.

Q. Katie Farrington, who was the senior responsible officer for Kickstart, suggests in her statement to the Inquiry that as part of preparing for the economic response to a future emergency, the government should consider whether a disability employment scheme should be introduced alongside a youth employment scheme like Kickstart. Do you think that that suggestion has merit?

A. Yes, I do. And I think what I would add is that it should be designed with disabled people's organisations.

Q. I would like now to ask you about the Coronavirus Job Retention Scheme. In his expert report for the Inquiry, Dr Mike Brewer has suggested that the UK Government should consider whether, in any future furlough scheme, employees should have a right to make a formal request to be placed on furlough. We've heard that this morning.

A. Mm.

Q. In your view, would giving employees such a right assist people with long-term sequelae and other disabled people who might need to shield in a future pandemic?

A. Yes, I do agree with that, because -- for several reasons. You know, people with underlying health conditions who choose to isolate, or self-isolate, meaning that they weren't able to attend work, being able to request to be put on furlough would be a positive move, yeah.

Q. Digital exclusion. You say in your statement that disabled people are more likely to be digitally excluded than people without a disability. What impact did that exclusion have on the ability of disabled people to participate in the economy, access financial services, and benefit from economic interventions during the pandemic?

A. So, yes, there is a digital divide in the country, and the reasons behind that are economic. So disabled people often don't have the resources to buy and have the latest equipment, technical equipment, laptops, computers, phones, et cetera, and as well as have access to broadband. So there's the kind of structural issue that exists, starting point. And then during the pandemic, of course, almost everything moved online. So if you're applying for a benefit or if you're applying for a government scheme, if you're ordering food, it required you to do that online.

So there's the point of having not only the equipment but assistive technology, which can be very expensive. So if you're a blind user, you need screen readers. That can be very expensive.

And then, in addition to that, is just your kind of understanding of how to use technology. We know that for many people who have not -- who haven't got access to it, when they do get access to it, you need to provide training so people know how to use those systems.

Q. So what, if anything, do you think could be done to ensure that disabled people are not economically disadvantaged as a result of digital exclusion in any future emergency?

A. So, having alternative ways of applying for something. So, for particularly government services, being able to apply over the phone. Particularly, you know -- but I think the other thing is around making sure that people are then provided with equipment and training as well, so that we actually address the digital divide before we enter another pandemic.

Q. I will ask you now some questions about the economic impact of Long Covid. During the pandemic, Disability Rights UK published a number of articles concerning the impact of Long Covid. In that research, did you note an overall rise in the number of disabled people during the

pandemic, and were you able to discern to what extent that increase was due to Long Covid?

A. So we -- absolutely, you know, we started to hear about Long Covid and the different ways that that manifested itself in people's ability in everyday kind of activity. We heard figures of about a million people with Long Covid. And, you know, the other data that backs that up is access to benefits and the welfare benefit system, and those numbers are going up.

So certainly it's been a major factor in the increase in the numbers of disabled people, the million or so with Long Covid.

Q. When you were speaking to your organisational networks, were you told anything about the impact that Long Covid was having on employment prospects and the finances of individuals?

A. Well, I mean, part of the issue is -- with Long Covid, is about how it's assessed, and agreement from the medical profession of what constitutes to having Long Covid, how the system, the welfare benefits system, kind of considers that, and whether the system is designed to accept the conditions that people are explaining as constituting as a disabled person. So I think there's that.

The other thing is a lack of understanding and

awareness from employers about what Long Covid is, how it's affecting people and thinking about reasonable adjustments within the workplace. So under the Equality Act, disabled people have a right to request reasonable adjustments within a workplace, and if it's not clear with your employer and yourself with the evidence that you might need, it can often be difficult for people to almost prove that they are affected by Long Covid in the way that they are saying.

Q. Finally, Mr Mallick, in your statement you set out observations about what could be done to ensure that the economic response in any future pandemic is effective for disabled people. In particular, you emphasise the need for government to proactively engage with disabled people's organisations, and with disabled people to inform plans for any future economic response, and you've already touched on that in your evidence. But could you explain to us why you say that proactive engagement is particularly important?

A. Well, what we've always called for is a funded, structured framework for ongoing engagement with disabled people's organisations so that we don't wait until the next emergency or pandemic that happens, but actually, government systems and policymakers and legislators are engaging with disabled people and our

organisations so that we can design inclusively from the outset, so that when and if the next pandemic happens, systems have been designed with that in mind, with inclusive responses in mind, and also just bringing the lived experience of disabled people into government is essential for good policy making and good legislation.

Q. You also mention in your statement the increasing of support through the social security system. That aside, is there anything further that Disability Rights UK considers could be done better to ensure that the economic response in any future pandemic provides effective financial support for disabled people?

A. So, making sure that financial support is targeted at the very kind of -- those people who need it in terms of financial resilience: people on the lowest incomes, people who are in the poverty line, and below that. So really making sure that targeted support goes to those members of our society, those who have got the least ability, financial resilience, through savings and other methods, to, kind of, weather that storm, really. So that kind of targeted response.

MS NIMMO: Thank you, Mr Mallick.

My Lady, those are my questions, but there are some CP questions.

LADY HALLETT: Thank you very much indeed, Ms Nimmo.

Mr Mallick, Mr Jacobs, who is over that way.

Questions from MR JACOBS

MR JACOBS: Mr Mallick, a question on behalf of the Trades Union Congress, if I may.

In relation to the furlough scheme, you've described some of the potential benefits for disabled persons. You've statement also describes that disabled people were more likely to be furloughed, which may indicate underlying prejudice within workplaces such as a frustrating perception that they would be less able to adapt to new working practices or were generally among the less productive staff members.

Are there ways in which, thinking towards the next pandemic, schemes could be more sensitive to protecting disabled persons in these sorts of respects?

A. I think what's behind some of these things is just a societal belief about who disabled people are, and actually tackling that. And there's a role that government plays in the narrative about us as people, and how we contribute, and actually seeing adjustments and support as an investment rather than a cost or a burden. But, you know, the idea of allowing disabled people to request to be on furlough would be one way.

But, also, we've moved to remote working. It's something that we, as disabled people, have asked pretty

much forever. The idea that we want flexible working, the ability to work remotely, I think it's really important that we don't lose what we've now done.

And as I've said before, you know, the pandemic showed that because -- we were able to make that happen because it was impacting on non-disabled people, but when disabled people were asking for it, it wasn't, kind of, done.

Now we have shown that it can happen, we mustn't, kind of, roll that back. We need to see that as a positive, to enable more disabled people to work. And so, in a future situation, another option to furlough would be that you work remotely, because we've proved that that can be done.

Q. And no doubt that objective can be supported by the government with its guidance and associated documents and what have you?

A. With that, but also we have schemes like the Access to Work scheme that are specifically designed to support those adjustments and costs beyond what might be seen as reasonable, so making sure that Access to Work is fit for purpose rather than the danger that it's in currently.

MR JACOBS: Thank you, Mr Mallick.

Thank you, my Lady.

LADY HALLETT: Thank you, Mr Jacobs.

That completes the questions we have for you today, I'm afraid I'm not sure you can say goodbye to me just yet because I know you've given me a lot of help already and I think there may be a possibility of your returning for Module 10. But thank you so much for all the help you've given me to date, I'm really grateful.

THE WITNESS: You're welcome. Thank you very much.

LADY HALLETT: And I shall return at 1.45.

(12.46 pm)

(The Short Adjournment)

(1.45 pm)

LADY HALLETT: Mr Wright.

MR WRIGHT: Thank you very much. The next witness is Will Quince.

MR WILL QUINCE (sworn)

Questions from RICHARD WRIGHT KC, LEAD COUNSEL TO THE INQUIRY for MODULE 9

LADY HALLETT: Thank you very much for coming to help us, Mr Quince.

THE WITNESS: Pleasure.

MR WRIGHT: You are Will Quince, is that right, former Parliamentary Under-Secretary of State for Welfare Delivery?

A. Correct.

Q. Thank you. And you've produced a signed statement to the Inquiry dated 20 October of this year.

A. Yes.

Q. Can you confirm that that is true?

A. Yes.

Q. Thank you.

Mr Quince, there's quite a lot of ground to cover this afternoon, and I'm going to try to focus my questions under six broad headings, and what I'll do is I'll let you know when I'm moving from one to another so you know that the focus. But I'll give you them now so we know where we're going.

First, we're working at joint working between the Department for Work and Pensions and the Treasury in particular.

Second, the overall Department for Work and Pensions strategy for supporting economically vulnerable people, and alleviating hardship.

Third, the decision to uplift Universal Credit and Working Tax Credit by £20 per week.

Fourth, fraud and error arising from easements that were applied to the application process.

Fifth, to look at some considerations relating to Long Covid and how they were taken into account by the department.

And then, finally, I'm going to ask you, Mr Quince, to help the Inquiry with some reflections looking ahead to any future civil emergency.

If you want me to repeat anything or break anything down as we proceed, please do let me know. And as you know, documents will from time to time come up on the screen and I'll give you an opportunity to look at those documents if I'm asking you something that arises from them.

So, the first topic, then: joint working between the Department for Work and Pensions and the Treasury. And I think you observe in your statement that, generally, relations and working relationships between the department and the Treasury were good during the pandemic; is that right?
A. Yes, I think so, yes.
Q. You describe there as being a chain of communication and collaboration between the two departments; is that right?
A. Yes.
Q. And is this a fair way of looking at it: the Treasury was often setting policy, and the department was sometimes responsible then for delivery of that policy?
A. Yeah, I think that's a -- my Lady, that's a fair reflection. I think when there is a departmental

budget, largely departments are left to get on with operational delivery. In the case of very large spend outside of a department's DEL or revenue budget, then Treasury will often set the policy and have very tight guidelines on exactly how that money is to be spent.
Q. Yes, thank you.

The Inquiry's heard evidence about a policy partnership -- or received evidence, I should say, about a policy partnership that has existed between the Treasury and HMRC since 2005, so that's a longstanding formal arrangement. You're aware of that policy partnership between the Treasury and HMRC?
A. Only having read about it.
Q. Right.
A. But no direct experience thereof.
Q. Okay.

But the purpose of that is to join up policy with delivery. Do you understand that there was any attempt by the Treasury or the Department for Work and Pensions to establish a similar policy, partnership, during the pandemic?
A. Not to my understanding, no, my Lady, but I think it was a very fast-paced, organic, almost arguably kinetic environment, which meant that if indeed that did exist, and I'm not aware of it having done, I think it would

have been informal and at the Secretary of State to Treasury and to Number 10's office directly, or involving special advisers.
Q. So, essentially, the need for delivery at pace meant that things were happening informally rather than through some formal arrangement that needed to be stood up?
A. Well, by informal --
Q. I don't mean there was an informality to what was happening but --
A. There was very much a formality but I suspect it was more the case that it was official-to-official level, DWP to HMRC, likewise with Number 10, as opposed to the more lengthy weeks or months in which you would ordinarily go through the policy formation process.
Q. Looking ahead, do you think there is any benefit in seeking to develop a formal policy partnership between the Treasury and the Department for Work and Pensions for any future emergency?
A. I think if that doesn't exist already, then it would certainly be a positive thing.

I think in the case of the UC uplift, it was a matter of days that in which we had to develop from initial concepts to policy and then delivery, so I think having something well established in advance could only

be a benefit.
Q. In your experience of being in the department and working with the Treasury, are there any obvious barriers to establishing that sort of partnership?
A. So I don't think so but I think, just for context, as the most junior minister in the department, I wouldn't have been exposed to the partnership at that kind of level. It would have been Secretary of State's office directly to the Chancellor's Office and likewise to the Prime Minister's Office at Number 10. It wouldn't ordinarily be Parliamentary Under-Secretary of States that would have that kind of direct relationship with Treasury or indeed with Number 10.
Q. All right, thank you.

That completes the first topic.

So second topic, whether there was an overall strategy in the Department for Work and Pensions for supporting the economically vulnerable and alleviating hardship during the pandemic. So far as you're concerned, was there any explicit strategy that the department had to support the economically vulnerable and/or alleviate hardship?
A. So the first was, of course, Universal Credits our primary benefits system but also the legacy benefits system that worked in tandem alongside it, and then

alongside that also, the other measures which we knew were really important to those who were economically vulnerable, particular for example, maybe rent, so increasing the Local Housing Allowance, putting in an extra billion pounds to raise that up to the 30th percentile of local rents, discretionary housing payments.

And then as we progressed in those early months of 2020, identifying that there were people who were not necessarily going to get the support through Universal Credit or legacy benefits either through eligibility or just needing additional support, and that's why we looked at the COVID Winter Grant Scheme and then that morphed into the Household Support Fund which is still in existence today.

Q. Thank you.

Those are all undoubtedly things that the department was doing throughout the pandemic to support people, and to help people and to alleviate hardship. What I was more interested in was whether there was a formal strategy, so a formal considered, holistic strategy, to do all of those things, or is it the case that things were moving at pace and these schemes were developing as the need for them was identified?

A. So yes, it was a bit of the latter but I think it was

also a case of the primary function of the department was to make sure that we absolutely kept the show on the road. And what I mean by that is making sure that the systems continued to function and function well and that we were ensuring that those who were claiming benefits, and we were facing unprecedented demand, were paid in full and on time, and that the system, in terms of capability and capacity, was able to cope with that unprecedented demand because we knew that there were people in desperate need and therefore needed that money and needed it in a timely fashion, and making sure that it's accurate so people are getting the support that they needed.

Q. Thank you.

You list -- a lot of the things you've touched on, you've listed in paragraph 46 of your statement, and you reference there the fact that you were part of what you describe as a cross-government junior ministerial taskforce, which pushed our respective secretaries of state and the Treasury for the creation of these schemes as an additional safety net for vulnerable groups, families, children, older people.

That cross-government junior ministerial taskforce, was that something that existed formally or informally by communication between ministers in different

departments?

A. No, so that was a formal creation, my Lady, set up by junior ministers. I can't recall exactly who requested the set-up initially, but it was, I remember, a Minister Prentis, who I believe was at DEFRA at the time, and it was a number of ministers that were looking at those who were economically vulnerable, and seeing who needed additional support over and above the support the government had already given, and those junior ministers in a -- and I think exhibited to my witness statement are a number of minutes from those taskforce meetings where we looked at a number of measures that each department could do to support those vulnerable and disadvantaged individuals and groups, and it was on the back of that that the Covid Winter Grant Scheme conceptually was created, and then morphed into, later, the Household Support Fund.

Q. You can't remember who set it up. I mean, you described yourself earlier as being a junior minister in the department. For a taskforce like that to have clout, if you like, was this coming from a Secretary of State, from higher up in government, or was this an arrangement that junior ministers decided to take it upon themselves to set up to try to have some joined-up thinking?

A. This was, as I recall, junior minister-led, which is not

normal, actually, in terms of the way these things work and in terms of involvement I remember Minister Ford, Minister Prentis, Minister Churchill, all the relevant departments that had areas, that had responsibilities for looking after support for vulnerable and disadvantaged groups but we did each individually have the backing of our respective secretaries of state and we also, had Treasury attending those meetings also, which was important, because ultimately there would be a financial ask alongside the recommendations of the taskforce.

Q. Accepting that sometimes too much formality can slow things down, and choke innovative thinking, do you think there is a case, looking ahead, for that sort of cross-departmental taskforce to be stood up in a future emergency? Was it just chance that these junior ministers got on and did work together, or ...?

A. I think there was an element of chance in that you had some like-minded individuals, my Lady, that all shared the same concern about people slipping through the net and of there being an additional net, if you like, for those who might need that additional support. But the fact that every government department that had responsibility in this area did get involved -- and so I think the answer to your question is yes, I think it could only be a positive thing to have junior ministers who are the ones more likely to be having those meetings with stakeholders and charities and organisations that advocate for and represent vulnerable groups, that direct link, meeting and discussing -- because often the stakeholders are shared across different government departments -- how they can work together to pitch things to Treasury which aren't necessarily one of the burning platforms to their respective secretaries of state.

Q. Thank you very much.

In terms of DWP strategy, leaving aside the grants that you've already described, is it fair observation from your statement and from the other evidence the Inquiry has received, to say that at the heart of DWP strategy was to provide this uplifting to Universal Credit and Working Tax Credit, because it was, from the department's perspective, really the simplest and quickest way of getting support out?

A. Well, I mean, there -- there's certainly truth in what you say, in that time was really short, and we knew that there was an impending lockdown, the Chancellor wanted to make an announcement about financial support to provide reassurance, and we had to look at measures that were deliverable, which is the first thing, in

a relatively short timeframe. But also that were operationally deliverable based on the systems that we had at the time, and that were simple, that were easy to understand, and -- and that would make sure that the intended beneficiaries, so the policy intent, the rationale, that -- that it was met. And that's why I think -- although ultimately it wasn't my decision, but why I supported it -- why the uplift to standard allowance by £20 a week was chosen.

Q. Thank you.

Mr Quince, not a criticism at all, and it will undoubtedly be my fault for asking you questions in a way that mean you're talking quite quickly, so if you could just slow down a bit, there's a stenographer who is keeping the note, they need to keep up, and I'll be in trouble if you keep speaking too quickly, so if you could just slow down a bit, that would be great.

Thank you very much.

Can I just pick up on something else forward looking again, before we move on to the next topic.

Lady Coffey, who was the Secretary of State at the time, and I'll obviously ask her about this in due course, has suggested that a valuable tool in a future emergency might be the ability of the department to issue hardship grants, which was a power it used to have

and then it lost. Where does that, as a suggestion, sit with you?

A. I think that might be handy, that might be helpful. Not wanting to disagree with my -- my former Secretary of State. I think that did -- it did still exist, but it was transferred to local government and it wasn't ring-fenced, and that's why we explored, and then introduced, the COVID Winter Grant Scheme and the Household Support Fund. So -- so, in effect, it was a DWP function that was then moved to local government, but because of changes in local government funding, it wasn't ring-fenced, and different local -- it was inconsistent across the -- sorry, I'm going to slow down, sorry -- inconsistent around the country as to local authorities as to who had hardship grants and what they were able to give out.

So I think they are useful. Whether it's the Department for Work and Pensions or whether it's local government, I actually think the Household Support Fund is a good model, because I think that local authorities often are best placed to identify the unmet need within their communities, because they are at the grassroots, they're at the coalface. They work with those organisations that are supporting the most disadvantaged and vulnerable.

So that would be my only concern about it being a DWP function. Having said that, having the Household Support Fund via local government and the ability to make a similar grant as necessary in the case of a national emergency or civic emergency by the department would undoubtedly be a helpful tool.

Q. So as an additional level of power, not in place of that ability of local authorities to administer that sort of support?

A. Yes.

Q. Thank you.

So, third topic then, please, the decision to uplift Universal Credit and Working Tax Credit by £20 per week.

Now, this is obviously quite a significant area of questioning, and so I'm going to break it down, again, and then I'll tell you where we're going in terms of working through this topic.

First I just want to ask you some questions about the origin of the uplift.

Second, the policy objective of the uplift.

Third, the policy design of the uplift.

Fourth, how effective implementation of the policy was.

Fifth, the extension, the decision to extend from April of 2021.

Sixth, the end of the uplift in October of 2021.

And then seventh, and finally, monitoring and evaluation of the policy.

So we'll try to work through this topic under those subheadings, if we may.

And that begins with the origin of the uplift. So just to understand, really, Universal Credit.

Universal Credit, as the Inquiry understands it, is a benefit that can be claimed if an individual or household is on a low income or needs help with living costs. That could be because somebody is out of work, or, indeed, people are working but in self-employed or part-time, low-paid employment; is that right?

A. That is right, yeah.

Q. Or because people are unable to work because they have a health condition, for example?

A. Yes.

Q. And the award of Universal Credit has a standard allowance that's paid according to age and household unit; is that right?

A. That's right.

Q. And then there are additional helps with housing costs and so on, and additional elements that can be paid to groups recognised as needing extra support?

A. Yes, so child disability, for example, housing.

Q. Yes, parents, disabled people --

A. **(Witness nodded)**

Q. -- carers, those --

A. Correct.

Q. Okay.

And I'm just going to ask, please, if we can have on the screen INQ000655625. And I'll ask that -- there we are. Thank you.

So this just gives us a bit of context. This is from the statement of Neil Couling, who was responsible, effectively, as the responsible owner for Universal Credit; is that right?

A. That is, yes.

Q. There were 2.8 million people claiming Universal Credit before the pandemic. And in the first four weeks following the first lockdown we see the number of people claiming increased by about 40%. So that's about 1.2 million additional claims over the course of four weeks. And by 9 July 2020 there were 5.6 million people on Universal Credit. So that's an additional 2.8 million, so 100% increase in claims.

And then the next paragraph sets out the volume, which I know, you've touched on it, is a relevant consideration, the value of claims and the processing ability of the department.

But just looking at that, the volume of new claims peaked in March 2020 at nearly 1.4 million declarations in that month; is that right?

A. That's my understanding, yes.

Q. Compared to 270,000 in March of the following year, 260,000 in March of 2022. And the statement sets out that in a typical, normal, pre pandemic week, about 10,000 new claims a day. But in one night, on 26 March 2020, there were 136,000 new claims that had to be dealt with.

Then he sets out in his statement:

"That's a good example of the challenges ..."

So that's the benefit, that's the challenge that the department was facing in terms of the number of applications at the start of the pandemic. Does that give a fair picture of the --

A. It does. And, my Lady, I'd sort of inarticulately and rather clumsily sort of just tried to explain this earlier, but I -- I think I can't downplay enough -- or I don't -- I -- I think it's hard to, sort of, put into -- how much the bandwidth within the department was just keeping the systems running. And, our main concern, as ministers within the department, is we've got to make sure that where people are in desperate need, they've got to make the claims that they -- if somebody is making a claim to Universal Credit, it's because they often have exhausted other options and they are in desperate need. And our clear instruction to officials were: we've got to make sure this system delivers for people, that they get paid in full and on time.

And no doubt Baroness Coffey will cover this, but I'm really proud, actually, of the work that the departmental officials did to keep that system running and operational. And throughout the pandemic, we had 93% or 94% of people paid in full and on time.

Now, that's still 7% that weren't, but it's actually higher than pre-pandemic levels, and the department really rose to the challenge.

But one more point to add, my Lady, if I may, is just --

Q. A little more slowly, please.

A. Apologies.

Q. Thank you.

A. I recall one particular weekend around this period, and I can't give you the exact date, but I remember a call from -- and I suspect the former Secretary of State will too -- from the permanent secretary or Neil Couling or perhaps even both, saying that there was a serious risk over that weekend that the system was going to fall over and we might have to do something called a force stop. And the reason you would do a force stop is a force stop is far safer for the system than a system collapse. If the system collapses, you are really in trouble, because it takes time to then reboot it, people don't get their payments in time.

Now, luckily, coders, the team, Neil Couling's team worked through the weekend and it didn't come to it. But I think it's just important context for how much of the department's bandwidth, time, energy and resource was put into just keeping these systems going, both legacy and indeed Universal Credit, given the unprecedented claims, to just make sure that our key thing -- when you talked about the strategy, the strategy was making sure that people got their benefit claims in full and on time.

Q. Taking the figures from the Neil Couling statement we've looked at, I think the point you are making is had the system collapsed, then at peak there would be 5.6 million people dependent on that money for their basic financial survival, who would be deprived of it?

A. Correct, and I was listening to, my Lady, opening statements yesterday and when we talk about, you know, operations, what we are really talking about is payments. And if that doesn't happen, people aren't

able to pay their rent. They aren't able to pay the phone bill. They aren't able to meet their outgoings. That was top of our mind at all times during the pandemic and that's why that timeliness and that accuracy, was really top priority for all of us.

Q. And the origin of the concept of the uplift, as the Inquiry understands it, came from a commission which came from the Chancellor of the Exchequer to the department on or about 17 March 2020, a commission to investigate and report on the delivery of an uplift if that was possible, feasible.

A. So I don't know that for sure, but I have seen an email from the Secretary of State's private office, as I put in my witness statement, at paragraph 17, that suggests it was an ask of the Chancellor specifically.

Q. Yes. And in terms of decision making, it was a Department for Work and Pensions benefit, you've explained, however, effectively being funded by the Treasury and the commission coming from the Treasury, but the decisions were made jointly, is that your understanding, between the Chancellor and the Secretary of State?

A. Yes, that's my understanding although inevitably and again, my Lady, I've covered this in my witness statement, any spend outside of a departmental budget of

£6.2 billion is ultimately going to be made by the Chancellor of the Exchequer. The Secretary of State would be the one who would say what is operationally deliverable and would be the one to operationalise the decision, but I think it's inconceivable that the ultimate decision wouldn't have been made by the Chancellor and the Prime Minister.

Q. And ultimately the Chancellor has got to sign the cheque?

A. Correct, but -- I mean, that's conjecture on my part but that's my experience of government in every department I've had the fortune to have served in.

Q. So moving on to the policy objective of the uplift then, which is the second subtopic, can we just first of all, I'm sure, agree about this: that good policy requires clear objectives, as a general for government?

A. I agree.

Q. Yes. Because the clearer the objectives, the more you can focus on delivering them, the easier it is to evaluate whether you've achieved those objectives, and monitor your ability to do so?

A. I agree.

Q. Yeah, okay.

Now, can we have, please, INQ000655668.

That's the corporate statement from the department,

which sets out three fiscal and social policy objectives for the uplift. So financially assist those likely to face the most significant financial disruption; second, provide that assistance rapidly, and this, I think, goes to the point you were making earlier, without risking the stability of the social security system; is that right?

A. That's right, yes.

Q. And then finally, provide a clear and easy to understand policy that sends a reassuring message to the public, and that, because this was a time of national emergency and great uncertainty, and it was considered necessary to reassure people that the government was going to stand behind them?

A. Yes.

Q. And those objectives as set out in the corporate statement, do you consider those to be clear policy objectives?

A. Yes, I think I do. My understanding throughout, and although I didn't set the policy rationale or objective, or indeed make the decision, was that the UC uplift was designed to support those who were facing the most significant economic shock, and whether that was through a significant drop in income, as has rightly been alluded to, those on Universal Credit who are in work

but relatively low earners and who may have seen a significant reduction in their hours or income, and therefore they would be suffering economic shock, or those who had lost their jobs altogether and were making a first ever claim for Universal Credit, my understanding was that they were the designed recipients, if you like, or policy rationale, or objective of the policy.
Q. Please, this isn't a criticism but an observation. That is quite a number of concepts put together there as being the rationale. Can I just look at how you've put it in your statement and see if that helps. Paragraph 20 of your statement, please.
You say there:
"The decision to introduce Universal Credit uplift was essentially to provide additional financial support for new and existing claimants in response to the economic situation caused by the COVID-19 pandemic."
A. Yes.
Q. So not just there people who are newly unemployed, newly claiming benefits, but existing claimants who may have suffered financial hardship?
A. Well, that's not quite what I said.
Q. No, well, what do you mean by it?
A. With respect, my Lady, I think I was quite clear that it

was those facing -- it wasn't economic hardship, it was economic shock through one of two events. The first is seeing a significant drop in income or the second is through losing your job, and you might say that the effects are the same but of course if you were -- if you were making a claim because you've lost your job through Universal Credit for the first time, then you'd be a new claimant, or you might be an existing claimant of Universal Credit who had either lost their job or had seen a significant drop in income.
But I think unless I'm misreading it, I have been really clear that my understanding was it was for those who had had an economic shock through loss of their job and therefore income, or seen a significant drop in their income as a direct result of the pandemic.
And I've specifically said that my -- I was not aware of the policy intent, and I think I've made this clear in paragraph 20 of my witness statement, of the rationale of the or the objective of the UC uplift being more broadly to support those on UC who -- on Universal Credit, sorry, my Lady -- who have faced economic hardship, or additional costs as a result of the pandemic.
Now, the consequence of the UC uplift is that they would have benefited, those who had not seen that

economic shock through loss of their job or a significant drop in income would still have benefited from the £20 uplift. So those who were on UC and would have faced increased costs would have still benefited but the point I was making is that they were not, as I understand it, the original designed beneficiaries or recipients of the intended policy of the government.
Q. So your position is that the intended recipients were those who were newly, by the shock of the pandemic, newly in receipt of benefits, or who had suffered financial loss, so reduced income, that was the intended policy -- the policy objective was to help that group?
A. That's my understanding, yes.
Q. Yes.
A. And as I say, I didn't set that policy --
Q. No, no --
A. -- but that's my understanding, as a minister who would have gone out to, in effect, sell that policy, that was my understanding of the rationale and intent, my Lady, of the government.
Q. Yes, and in fact I think you go a bit further -- if we could have paragraph 112, please. In second sentence there:
"As I recall, it was not designed specifically to address inequalities and economically vulnerable

groups."
So is that the point you make? The intention was to help those newly economically impacted by the pandemic?
A. That's right.
Q. As you understood it?
A. Yeah. And I think it may even be worth adding that I think the -- the Chancellor at the time even made the point that there were other measures that he was putting in place to support those, all -- in addition to the Universal Credit uplift. You know, for example, the Local Housing Allowance uprating to the 30th percentile would have benefited far more people than those just on Universal Credit, for example, who would have been -- fallen into the economically vulnerable group category.
Q. This was one measure amongst other measures --
A. Correct.
Q. -- that the government was taking.
And do you also support the view that the objective of the uplift was not to meet the increased costs of individuals, so the increased costs that are occasioned by the pandemic, but rather to cushion, as it were, the blow for those who had lost their employment or lost earnings?
A. That's certainly -- certainly in the two paragraphs you've just shown me, that's what I made clear. And

that's my understanding of the, sort of, policy objective of the centre.

Q. I wonder if we could have up, please, INQ000657741 -- the statement of Katie Farrington, who was a DWP official at the time -- and paragraph 37.

She makes that point, that second paragraph at the bottom there:

"The UC uplift was primarily intended to provide financial support to everyone ... rather than meeting the increased costs of individuals."

Does that accord with your understanding?

A. I'd have to read the paragraph above --

Q. Well, by all means, take your time and --

A. It depends what was ...

"... was primarily intended to provide financial support to everyone (for the reasons set out above) ..."

So I think the context in which -- and it's very difficult without getting into the mind of Katie Farrington, who by the way is a superb official and an expert in everything Universal Credit -- I think that is in the context of whether the £20 uplift being paid universally to everyone on Universal Credit versus being targeted specifically, as in -- when she says "provide financial support [for] everyone", I think that is in relation to whether the Universal Credit

additional uplift could have been targeted, or if it was universal in nature.

I don't think she's referring there to the policy rationale, if you like. But it's probably a better question for Katie Farrington.

Q. All right. The point I'm getting at is the point I think you've already agreed with, that this wasn't about covering people's increased living costs?

A. No.

Q. This was about a cushioning the fact that people had lost employment. That is what it was intended to do?

A. That's right, but from a DWP minister perspective, I was delighted that it did go further, because I knew that there were people that were facing hardship and additional costs. And the fact that there were the consequence of the -- whether it was unintended or not, the additional beneficiaries of the £20 uplift because of the universal nature of it, I was delighted that there were more people benefiting than just the -- those who the government initially intended through the policy objective or rationale.

It certainly helped me, in terms of my objectives, in terms of reducing poverty and child poverty, and -- and I welcomed it.

Q. Just to unpack that, are you saying effectively that the

fact that it also did lots of other good things doesn't take away from what its actual policy objective was?

A. Yes, I think that's right. And very often when it comes to government policy and decision making, there will be a very good reason, my Lady, for a decision and a policy, and there's a rationale and an objective for it, but there are consequences, and unintended consequences, that come alongside it that are not necessarily aligned to the original policy intent.

More often than not, they are good consequences; sometimes they are negative consequences. But in this case, in my view, it was a positive or a good consequence that far more people benefited than just those that were the original intended recipients.

Q. I think you've been clear that this wasn't just for new claimants of benefits; it was also for people who were receiving Universal Credit and who had lost employment, so they'd lost some income; is that right?

A. Well, yes, or could have been claiming Universal Credit because they were in low income, my Lady, but then actually lost that income.

Q. Yes.

A. So they could have seen a dramatic drop in income. And the way Universal Credit works is it tapers off as your income increases, so there would have been people on

Universal Credit who would have seen a reduction in hours or a drop in income, or those who had lost their jobs altogether who would have been a claimant for Universal Credit. So, yes.

Q. Do you think there was any confusion in the department about that? In other words, whether there was confusion as to whether it applied to those people or whether it was intended only to apply to those who were totally new to the system?

A. No, I don't think so. Certainly not in my experience.

Q. I'm just going to ask for INQ000655625 to be put up on the screen. This is Neil Couling's statement.

And I accept it's difficult because it's not your statement but I'd just be interested in your view about this. Paragraph 3.35, please.

"The Universal Credit uplift was designed as a flat rate to provide rapid support to those newly unemployed or experiencing reduced incomes and therefore new to the benefits system."

Does that accord with your understanding or not?

A. No, not really. Simply because you could already be on Universal Credit and be in exactly the same situation and circumstance as somebody that's making a new claim, because of the nature of it being an in-work and out of work benefit. So I'm not sure why Neil said that and

I -- my Lady, I don't -- I learnt very early on, don't question much around Universal Credit with Neil because he's the Oracle. He knows everything about the Universal Credit system. It doesn't mean we didn't occasionally challenge each other on things, but on this I don't agree because those on Universal Credit who would have been in work and lost their job were not new to the benefits system but they would have clearly been the same people -- in the same position as those who had lost their employment and making a claim for the first time.

Q. All right. But the key thing is, as far as you're concerned, that wasn't your understanding of the position?

A. No, but I don't think it actually makes a fundamental difference because the two individuals, whether they were already on Universal Credit or not on Universal Credit, were in effect in the same position in that they are facing the same significant drop in income or loss of employment, and therefore significant drop in income. So it's probably semantics but I think whether they're new to the benefits system or not, I don't think is overly relevant. It's their circumstances which are almost identical.

LADY HALLETT: I do wonder, Mr Wright, if we're dancing on

the head of a pin a bit.

MR WRIGHT: Well, I certainly don't want to do that. I wouldn't stay on it for very long I don't think. But I'm going to move on, in any event.

Can I move on to another issue about policy objective and that relates to legacy benefits.

A. Of course.

Q. Now, we know that a decision was taken not to apply an uplift to legacy benefits.

A. Okay.

Q. So far as you're concerned, was that a decision that was taken because, to provide an uplift to legacy benefits wouldn't have aligned with the policy objective? Or was it a decision taken for operational reasons? Or indeed both, or neither? Why -- what do you say were the factors that meant that it wasn't applied to legacy benefits?

A. So I don't know for certain, my Lady, because I wasn't privy to the decision-making chain or process in that regard but I can give my view as to what, I think -- and I've seen the paragraph referred to I think in Neil Couling's statement in relation to those in receipt of legacy benefits not being the -- necessarily the intended beneficiaries of the basis of the uplift as set out by the Treasury.

But in my experience, and the dealings that I had in terms of the policy, it was more -- in fact, in my view exclusively -- about the ability of the systems to deliver an equivalent uplift to the legacy benefits.

And the only reason I hesitate a little bit around the policy differential is because legacy benefits, there are several, but of course there would have been people who had lost their jobs who would have claimed Jobseeker's -- contributory Jobseeker's Allowance who wouldn't have been eligible to claim Universal Credit perhaps because they had -- because it's a means-tested benefit and because they may have, for example, over £16,000 in savings. So there would have been some people who would have lost their jobs, or seen a significant drop in income who would have applied for JSA who might still meet the criteria, I suspect, but as far as I was concerned, it was simply about the clear advice of officials, including Neil Couling, that the legacy benefits systems couldn't be uprated mid-year and it would take several months to introduce an equivalent uplift for those legacy benefits.

Q. Let me just check I've understood what you said. I think you therefore accept there could be people who were in receipt of legacy benefits who could come within the policy objective of the benefit, but your

understanding is that the reason it couldn't be done was operational: this was simply not feasible?

A. So the JSA, or Jobseeker's Allowance point is conjecture on my part, because it's not my area of expertise, but my understanding is, during the pandemic, people could, if they had the work history and contributions, apply for contributory JSA. If they were eligible, I suspect they could have also applied for Universal Credit.

But as far as I was concerned, in terms of the conversations that I had with Neil Couling and the Secretary of State and others in the department, it was about the capabilities and capacity of the systems that were aging and archaic, and Neil Couling had been talking to us for the best part of the last year, since I joined the department, about how clunky the systems were, and difficult, and this is why we needed to migrate and move people over to Universal Credit. That they just simply wouldn't have coped and handled a mid-year uplift.

Q. Well, I'll ask, please, that INQ000657741 is put on the screen, please, and paragraph 33.

This is Katie Farrington's statement again, which I think aligns with what you have just told us. That part is headed "Operational limitations", and in the middle there:

"... the operational team (who reported to Neil Couling) concluded this was not feasible, as it would require a new IT build, and it would not be possible to create a new system within this tight timeframe."

So that appears to be a problem with old IT infrastructure, coupled with the need to move at significant pace; is that fair?

A. I think -- I think that is fair. And I can't find the exact reference, but I know it's exhibited to my witness statement, but there is a -- and I think it's in the evidence pack as well -- there is a particular email, I think, between special advisers and my private office, where they're debating when -- in response, I think, to a written Parliamentary question, whether they put "We have no plans to uprate legacy benefits", and a deputy director with responsibility of this area replied to that email saying, "We can't say we've got no plans because it's not actually possible. The system cannot do it unless we significantly upgrade the IT systems which wouldn't have been possible or practical during the pandemic."

Now, this may or may not be the email you're talking about but I hope it is.

A. It was a -- *(redacted)* so I think was the deputy

director of ...

Q. I'll ask that INQ000657862 is put up, please. And if we look at the bottom there, it says in the middle:

"We could uprate in UC relatively quickly, but not in legacy -- the lead in times for the IT on legacy is very long ... first reaction was April 2021. We'll push on that to see what could be done to expedite but just wanted to flag."

I mean, that's a year's lag to uprate the IT systems.

A. Yes, I mean, that's my understanding too. And I -- I recall having conversations, and I think this is in my witness statement too, for the Minister for Disabled People. I was keen for us to explore uprating legacy benefits. The clear pushback from the department was: we don't have the system capability to be able to do this.

And we may come on to it, but we did explore potential other options, all of which carried system risk and -- but -- but you're absolutely right that the systems were clunky, they were difficult to operate, they were coding that was decades -- I think Neil used to remind us some of them were 60 or 70 years old. They were not fit for purpose. And this is why Universal -- in part, Universal Credit was created, and the

department had clear plans and strategies to migrate people onto Universal Credit. So those systems could start to be phased out.

Q. The evidence is it would take, in ordinary times, about five months to program the system each year for payments --

A. Correct. That's my understanding as well.

Q. -- given its archaic nature.

Just picking up on this, looking ahead, because I don't want to get into an area which is effectively no longer a problem, is it right that the programme of reform has continued, so that people are being moved across onto Universal Credit and there is an endpoint envisaged for legacy claims so that it won't be necessary, really, to explore what could be done with those systems?

A. Yes, that's certainly my understanding and although I've been out of politics, my Lady, now for just over a year, and delightfully so, but my understanding is yes, it has continued. And it wasn't just about the clunky nature of those systems and the inflexibility of them; it was also because we frankly knew that there were hundreds of thousands of people who were not claiming all of the benefits they were potentially entitled to, because the legacy benefits system was complex, and it had cliff

edges, and all sorts of issues with it, and Universal Credit resolved many of those.

So there were many reasons other than just the system capability and the clunky nature of it that meant that Universal Credit was a much better system.

Q. Now, you mentioned other things that you looked at that you could do. Is it right that one of the things you explored was whether it would be feasible to make a one-off payment to legacy benefit claimants, acknowledging the IT difficulties and the inability to upgrade legacy benefits, that you looked at whether or not you could make a one-off payment if ministers wanted to pursue that?

A. Yes, that's right.

Q. But ultimately, I think, concluded two things: first that primary legislation would have been required; is that right?

A. That's right. So I think, I don't want to pre-empt your next question but I think we -- I scribbled down just before coming in, actually, looking at the one-off payment, why we were advised at the time that it carried a lot of risk. The first, my Lady, was in relation to system, we'd need to create a new system in which to do that. I think the only system that existed was in relation to winter fuel payments.

There was also a capacity issue around -- we had all of our people processing claims, and on the Universal Credit system itself, and just keeping systems running, we would need to pull people off that to design and manage a new system.

There was also an issue with data and datasets and there was a real risk of duplicate payments and eligibility, a potential high risk of fraud and error, and it would be virtually impossible, I was told, to recover any payments made in error.

And then you're absolutely right, there would be primary legislation required, and then the final one, which was always a concern of mine, and it was also echoed by the Work and Pensions Select Committee also, my Lady, is that there is a risk in making large one-off single payments in particular around vulnerable and disadvantaged claimants, that a very large amount of money going into a bank account, as opposed to a smaller monthly payment, can actually be very damaging when it comes to -- and I'm not stereotyping -- and this is -- this is based on the advice of stakeholders also, but when it comes to drug and alcohol addiction in particular, such a large payment going in in one payment, which was actually designed for a three, six, twelve-month period, might actually have some

potentially very damaging unintended consequences.

Q. And so for all of those reasons, did you ultimately conclude that you wouldn't take any further the idea of a one-off payment for those in receipt of legacy benefits?

A. Well, ultimately, the Secretary of State would have taken that decision, but my advice to her, I don't recall exactly what it was, my Lady, but my advice on the basis of everything I've just said and the clear advice of officials, would have been that this was not a sensible thing to pursue.

Q. Now, you mentioned making a comparison between the modern IT systems of Universal Credit and the relative functionality of that system compared to legacy benefits. You also mentioned a lot of people on legacy benefits weren't claiming what they were entitled to and you extolled the virtues of Universal Credit really as a much simpler system. Was there also a sense in which you wanted to encourage people during the pandemic to move from legacy benefits on to Universal Credit?

A. So I was asked this question specifically and I responded in my witness statement. I don't think it ever came up as a reason for the decision in relation to legacy benefits. And the reason I say that, as I said just a few moments ago, my understanding is the only

reason we could not make the payment to legacy benefits recipients was the system capability. It wasn't to do with, sort of, any other reason for, for example, wanting people to move on to Universal Credit.

In fact during the pandemic, we paused work, is my understanding, on the move to UC pilot, because of system capability. The system was under enough pressure with people naturally moving on to Universal Credit anyway.

Having said all that, you know, I come back to the point I mention about the sort of consequences and unintended consequences and design consequences. And as soon as a decision was taken that an uplift similar to that of Universal Credit wasn't possible in relation to legacy benefits, then inevitably yes, it would have been the case that those who would be better off on Universal Credit, either before or because of the £20 uplift, would have, who felt they were better off, moved on to Universal Credit, which would have also met another overarching government priority or policy, but it was not a driver for the decision in relation to legacy benefits.

Q. Can I ask that we put up, please, INQ000549336, please.

This is a WhatsApp message sent by you to then Chancellor of the Exchequer, Rishi Sunak, saying he's

doing a sterling job:

"I know a package re UC is being worked up. Fully support uprating the standard allowance. Not only is it the right thing to do, it helps negate the 5 week wait issue and will encourage more people to move to UC from legacy benefits. Any questions, you only have to ask."

Is that an example of what you have described as an unintended benefit, so if people move across, that's a good thing?

A. Yes, and I think -- I don't know the exact timings, although there's a timing on the message but I don't know the exact timings in terms of how -- my understanding is that a decision was already taken in terms of the capability of delivering an uplift to legacy benefits. But I knew at the same time that a package was being worked up by the Chancellor in relation to sort of broader economic support ahead of an announcement.

And I think, just to step back for a moment, and -- and I think you're right in terms of there's a risk that we sort of add 2 and 2 and get 5, that it was an unintended consequence, but once a decision had been taken not to uplift legacy benefits in line with Universal Credit, because of system capability, it just wasn't naturally an additional selling point of uplifting Universal Credit, by the way, a decision that had not, as I understand it, been taken at this point, another benefit of doing so.

And for me the real risk was that I didn't know and I don't think the Secretary of State knew I sent this message to the Chancellor, but I wasn't aware that the Chancellor had locked in the Universal Credit uplift policy. It was £6.2 billion worth of spend. It was something I had desperately wanted to see for a long time along with the Local Housing Allowance raised to the 30th percentile and, by gosh, I was going to do everything I possibly could to make sure the Chancellor announced it knowing that millions of people would benefit.

And I've always taken the view, as I say, I would have liked legacy benefits to have been uprated in line with Universal Credit, but I wasn't going to let the perfect be the enemy of the good.

Q. Was there a sense in which, as a junior minister in the DWP, you thought: well, let's bank this? There's going to be extra money being put into the department and put into Universal Credit, and that's a good thing. Whatever the objective is, if it has wider benefits, let's bank that, effectively?

A. I think -- I'm not sure the former Chancellor and

Prime Minister would thank me for saying this but yeah, my job was to try and extract as much as I possibly could out of the Treasury to support vulnerable and disadvantaged groups who were claiming Universal Credit. And, you know, that did mean on occasion that he no doubt got frustrated with me, but yes, absolutely. The opportunity to get an extra £6.2 billion pumped into our benefits system providing that additional support, yes, to those who were the intended beneficiaries and recipients as per the Treasury's policy, but I knew the benefit was going to be far wider than just that group and I very much welcomed that and I was going to fight for it.

Q. I just want to show you one more communication on this point, linked point, INQ000655317, please.

Now, I think this is an email chain between your Assistant Private Secretary to yourself I think, and other DWP colleagues. This arises in the context of the extension of the uplift. But if we look at paragraph (3) at the bottom there:

"By creating the natural cliff edge, you create a huge incentive to move to [Universal Credit] making the pilot largely redundant with huge numbers moving naturally at lower cost saving on transitional protection."

Is that an extension of the same point that we saw in the message to the Chancellor, if there's -- if there's a benefit, an unintended benefit, then it's a good thing?

A. Well, this of course was on 6 August 2020 and it was in relation to looking at an extension of the Universal Credit uplift, and at that point I don't think any decision had been taken on whether either UC -- well, it hadn't -- either UC was going to be extended further or if there was a way of uprating legacy benefits in the future. In essence, actually -- in reality, sorry, the decision wasn't taken until the spring of the next year, much to my frustration, but this particular email and, I'm not overly proud of it because it was more punchy than perhaps I would ordinarily have been, but it was because I received, via my private office, a communication to suggest the Secretary of State was not minded to bid for an extension of the uplift but instead favoured work incentives, and I'm afraid I saw red a little bit at that and I thought: right, well, I'm going to list back all the reasons why I think that would not be a sensible move because my position from the beginning was that the UC uplift is something that should be kept in perpetuity and failing that, it should have been extended.

And actually, I think it may have been a communication error, my Lady, because the Secretary of State's office came back, I think even by the end of that day, saying, "No, no, no, the Secretary of State's view is in line with yours and this is what we're going to" --

Q. Well, we're going to come on to the, as it were, the efforts, between the Secretary of State and yourself to persuade the Treasury to make the uplift permanent.

Can I just pick up one point about this. The last part of paragraph (3), "at a lower cost saving on transitional protection". Transitional protection applied to some disabled people, didn't it, who were given transitional protection when they moved on to Universal Credit? So this reference to a lower cost saving, did that mean there'd be an incentive and that it would be cheaper to get people to move across to Universal Credit sooner?

A. Well, my understanding, and it's -- my recollection is hazy on this so I apologise, it's five years ago, but, my Lady, my understanding is transitional protection was actually quite an involved process. So you had to sit down with the individual that usually involved a work coach, and they would work out, and I think it was a manual calculation, as well, this was done as part of the move to UC pilot. So it was a costly exercise to do. Whereas if people migrate naturally on to Universal Credit, because they've gone on to the benefit calculators and they work out that they will be better off, then the department doesn't have that administrative burden and cost of undertaking that transitional protection review and then making the arrangements to transfer.

So that was my understanding.

I mean, it's difficult because it wasn't my specific area, my Lady, of expertise; it would have fallen under the Minister for Disabled People, but my understanding is it was a more involved process, and if people moved naturally, then you would avoid that.

Q. Just move on, then, to look at the policy design of the uplift relatively briefly.

Is it your position that one of the key things was the need for speed? This had to happen quickly, in terms of delivering the uplift.

A. Without question, yes.

Q. So however it was going to be done, it needed to be something that could be done very quickly?

A. My understanding, the, again, it wasn't my decision, but my understanding is that the Chancellor wanted measures that could be announced and operationalised quickly.

Q. Yes.

A. And he was right to do that because people -- well, he knew what was coming. We all sort of had an inkling of what was coming but he, more than most, would have had access to data to see what was coming and the decisions that were going to be made around lockdown and other things, that he knew the likely implication for the labour market and the jobs market, and therefore it couldn't wait months. It needed to be a swift intervention that reassured people that the government stood with them.

Q. And was one of the consequences of that that it meant that the additional monies were paid to some people who weren't in the intended beneficiary group?

A. Correct, and, again, it wasn't my decision, but I think -- no doubt the ability of being able to uprate Universal Credit at scale and speed, I think it was done within just a handful of days, was of course hugely advantageous. And yes, it did mean that there were many, many more people than just those who were the intended beneficiaries of the policy intent that ultimately benefited, but that to me, was a positive.

Q. We've heard it described in Neil Couling's statement as an "unavoidable windfall" for those people. You may not align yourself with those words, I suspect?

A. No, I think I would describe that language as clumsy, and I think -- I'd certainly, and I don't know if that's attributed to Neil, but it's uncharacteristic if it is --

Q. Yes, it's from his statement.

A. Okay, well, I don't think anybody who was receiving a standard allowance of what, £75/76 a week, that went up by an extra £20, you would describe that as a windfall.

Q. No.

A. And, you know, I knew full well through all of the meetings that I had with stakeholders pre-pandemic and during pandemic, those that were supporting and advocating for those with lived experience of the pandemic, that people were struggling and that the Universal Credit rates were not particularly high. In fact, they were challenging for many, and I would never use that language of "a windfall". I think for many it was a lifeline.

Q. So is your position -- I don't want to put words in your mouth -- that yes, it didn't deliver the extra money just to those who were the intended beneficiaries but from your perspective, that was because of the need for speed and ease of delivery, and if that meant that other people got additional money, that was a good thing, so far as you were concerned --

A. Correct.

Q. -- given where the baseline of Universal Credit was?

A. That's right, and it was all about operational deliverability at speed and scale, and Universal Credit was the vehicle in which to do that. And the -- we did explore, as no doubt we will come on to later on, more targeted approaches, and we did explore that at great depth. But ultimately, this is something that had to be delivered within a handful of days and we wanted to make sure that people were reassured that the system would deliver. This is something which we weren't a hundred percent but we were pretty confident could deliver if we threw all of the departmental resource at it, and that's what we did.

Q. Do you think, in a future emergency, that having systems in place that would enable greater and efficient targeting would be a good thing?

A. So, yes, I think it -- I think it would be. And I think -- I think alongside that, though, you also need the data. And one of the things that I had been pushing for since joining the department, and -- and we did manage to start bringing in during Covid, and accelerate that process, Neil was the one that enabled this for me --

Q. Talking of accelerating, can we just slow down, please.
A. Sorry, yes.
Q. Just a bit.
A. Sorry, I do apologise.
Q. Don't worry.
A. The -- it was -- it was not possible to identify vulnerable or disadvantaged claimants in the Universal Credit system. It was a flaw that both I and the former Minister for Disabled People, Justin Tomlinson, identified. So, for example, I couldn't, at that point, tell you who was a care leaver, who was a prison leaver, who was a survivor of domestic abuse, who had experience of homelessness or rough sleeping. But those are really important characteristics, if people are willing to share them, that would enable the department to be able to target resource more effectively.

That work was being done and it was actually accelerated during Covid, starting with veterans -- is another group, my Lady, is a group that I wanted to be able to identify, for obvious reasons.

So the data, alongside the ability to target, and a toolkit or number of measures that are in the department's arsenal and able to deploy at scale and speed I think would be hugely beneficial.

Q. We've picked it up there. I undertake to you that we'll come back to the future and recommendations, and you can expand on that, and I want to ask you some questions at that stage about the potential for a shareholder dataset and so on and so forth, which I think aligns with -- with what you've just been dealing with.

Again, I'm sure you'll say, because of the need for speed, a flat rate was applied. So this was a flat rate payment that didn't take account of household need. For example, a single parent with three children received the same uplift as a single person living alone. I mean, if you'd had the ability to target, so that the person with three children received additional monies, would you have taken that course?
A. So I have to caveat the answer with it wasn't my decision.
Q. No, but would you have advocated that -- (overspeaking) --
A. But would I have advocated -- well, yes, absolutely. And it was only a handful of months later that I was exploring a hybrid model which was a £10 uplift for all Universal Credit recipients and a £10 uplift to the child element. I think the child element is a -- is one that should be explored.

But you're absolutely right. At the time, it was

about speed and system capability, and designing something new just wasn't feasible or practicable and certainly wouldn't have been sensible and would have been against the advice of the officials that knew the system inside and out at the time.

But the ability to, based on data -- and the data is the critical bit -- to be able to target resource more effectively and ensure that those who are the intended beneficiaries, as in those who are the most disadvantaged by a situation and any potential future pandemic or civil emergency, may take very different forms. You may want to, for example, look at young people or care leavers and prioritise them over those with children. But you may not. And the ability to target I think would be -- would be beneficial.

MR WRIGHT: All right.

Mr Quince, my Lady, can we take the break there? That's 3 o'clock. Thank you.

LADY HALLETT: Yes, certainly.

We take a 15-minute break every so often for everybody's benefit, but I promise you, we will finish you today. So I shall return at 3.15.

(3.00 pm)

(A short break)

(3.15 pm)

LADY HALLETT: Mr Wright.

MR WRIGHT: Thank you, my Lady.

Mr Quince, back to policy design, and another element of policy design which I'll ask you: why £20?
A. So the answer to that is I don't know, because I didn't take the decision, but my understanding is it was largely to align the rate with Statutory Sick Pay or as close as it could be to. And the emails that I've seen and the, sort of, policy documents that I've seen suggest that is the case.
Q. Yes. And just to help you with that, if we could have up, please, INQ000657864, which is an email, I think, of the sort you're referring to.
A. Yes.
Q. Yeah. So at the bottom there we see:

"Now copied to Jonathan and Lindsey. Grateful if you could treat it sensitively, [Chancellor] will announce at 5pm that the [Universal Credit] standard allowance will be increased temporarily by £20 per week to take it broadly to the rate of [Statutory Sick Pay] for over 25s at a cost of more than £3.5 billion."

So, your understanding, as you say, not your decision, the pounds, but your understanding was this was to align, broadly speaking, with the Statutory Sick Pay?

A. Yes.
Q. Okay, thank you.
We heard evidence this morning from Dr Mike Brewer, who is an expert who has provided a report to the Inquiry, from the Resolution Foundation, and he made the point that he described in his report as being "arguably unfair", that a worker didn't decide whether they were furloughed or they lost their job, so it was outside the worker's control as to whether their employer used the CJRS scheme or made them redundant.
And he made the point that there was a significant difference to the sum of money that a newly unemployed person who had been in work would receive under Universal Credit, even uprated, as compared to the amount of money they might have received if they were furloughed. And if you look at the respective spend across the schemes, one is significantly in excess of the other.
Now, accepting that those weren't your decisions, can you rationalise why there was such a gulf between what was available through Universal Credit, through a policy that was designed to support those who had newly lost their jobs, as compared to furlough or the self-employed scheme?
A. My Lady, it's a great question, but I think one only,

really, the former Chancellor of the Exchequer can answer. It would be wholly hypothetical, and -- and I'm not -- I don't -- I don't think I'm qualified to -- to answer that question, because I wasn't involved in the furlough scheme or the Treasury thinking or even the decision around the £20 figure uplift, whereas the former Chancellor will know exactly, because he designed both schemes.
Q. Well, let me just approach it from the other side, which you might be able to help us with. And I don't want to push you into an answer where you say, "Look, I just can't answer this", but I'd asked you some questions about targeting and you'd explained that the need for speed and delivery meant that there wasn't time to target and there's a data problem. But had you been able to target, you could have given a greater uprating to Universal Credit, couldn't you, to those who had newly become unemployed, and closed that gap?
A. Oh, I see. Well, I mean, systems-wise, I don't think we could have done, no. And certainly not within a matter of a handful of days. I'm not even sure the capability exists to be able to differentiate those two claimants. Not -- not least the inequity that it would create between new and existing claimants to Universal Credit, and that cohort who will have experienced a similar

economic shock who have suffered a significant drop in income or lost their employment but were already on Universal Credit. So I don't think it would have been possible, technically, even if the political will would have been there.
But I think your broader question is around the sort of adequacy, perhaps -- and I don't want to drift, my Lady, because I know you've made it clear that's not within the scope of the benefits system -- but Universal Credit was never designed to replace all of somebody's income, or indeed for it to be directly on par with the furlough scheme, which of course didn't exist at that point in time.
But I do think the Chancellor is really the only person that can -- can answer that satisfactorily.
Q. Well, I'm not going to ask you to go any further on that, then.
Can I ask you another topic, though, related to policy design, and that is the fact that the benefit cap was maintained.
So we heard that the benefit cap is designed to encourage people to go back into work. It has a nine-month grace period. So somebody newly claiming Universal Credit would have nine months before the benefit cap kicked in. But first of all, somebody who

was already claiming Universal Credit but had suffered a loss of income wouldn't have that grace period, would they?
A. No, they -- they wouldn't. But I've just got to caveat my answer, my Lady, by just saying that I was not the minister with the responsibility for the benefit cap and, actually, having said that, I'm hugely sympathetic to the position that those who were capped during the pandemic found themselves in, especially those who were newly capped.
I think you're absolutely right that those who had a -- were new to Universal Credit that had a sustained work history would have received a nine-month grace period but I would just -- although I wasn't the minister, and I'm sort of drifting into an area that was not something I'm responsible for, or have a huge amount of knowledge about, but I'd just come back to those sort of fundamental principles that are two-fold: one is the benefit cap was set in primary legislation and therefore would have required primary legislation to change it.
And the second is that, again, it would have taken time and resource in the department which we just didn't have at the time. I haven't seen the Minister for Employment's submission to the Inquiry or witness statement so I can't comment, but I suspect she has

covered in great detail the benefit cap, but I think in terms of system capacity and indeed the requirement for primary legislation, it wouldn't have been a priority for those reasons because we had to prioritise keeping the system overall operational.

Q. Did you not have a meeting with the Child Poverty Action Group in September 2020 where they raised the benefit cap with you?

A. Yes, I did, and there is a readout of that meeting I think exhibited to my witness statement, where I did make really -- I had actually a really good working relationship with the CPAG. They do some brilliant work and we met, I think, several times over the course of the pandemic.

Q. I don't want to jump in but they also followed it up with a letter and they stressed the difficulty caused-- (overspeaking) --

A. They did follow it up with a letter although I would -- they did, and I would just gently point out, though, in that meeting the readout does make really clear that I wasn't the minister with responsibility, as much as I was keen to help, with responsibility for the benefit cap, and that's why Mims Davies, the Minister for Employment, responded to that letter, not me, and to be fair to CPAG, the letter covered both the benefit cap

and the Universal Credit uplift, so both elements.

Q. Leaving aside that you weren't the minister responsible, what did you think about it? You were in the department, did you think that the maintenance of the benefit cap was aligned with the policy and was a fair thing or not?

A. Well, I won't get into the detail, my Lady, of the benefit cap more broadly, but during the pandemic, I think there's documents within my evidence bundle which shows that I did look at whether we should -- I pushed the Minister for Employment to look at whether it should be reviewed as part of a number of measures. But again, these were all scoped out, and in that case I think it was ruled, you know, not deemed to be something that we should explore on the basis of there were competing priorities and there were greater priorities, and namely the biggest, which is the -- keeping the system operational and ensuring that claimants are paid in a sort of timely and accurate fashion.

So would I have liked to have seen it looked at and an exemption put in place? Yes, I would, but on the basis of it requiring primary legislation, coming with a cost, and the bandwidth within the department to be able to deal with that, both legislative, early, and

also just capacity-wise, I just don't think it would have been realistic.

Q. So does this go, effectively, into the bucket of trade-offs that are necessary in a time of emergency to deliver support?

A. Unfortunately, yes.

Q. Right. Can I ask you, moving on, then, about how effective implementation was and really just a couple of questions about this. First of all, is this right, that the uplift was delivered automatically to all recipients of Universal Credit and Working Tax Credit without any need to apply? So if you were in receipt of that benefit it was automatically applied?

A. So I can't comment in relation to Working Tax Credit, because that was a Treasury-administered benefit and not within my responsibility, but you're absolutely right: Universal Credit payment would have been automatic to those who were claiming. So, yes.

Q. So, talking about speed of delivery and simplicity, no processing of application forms, no checks or anything to be done. If you were already in receipt, then -- then it applied?

A. Correct.

Q. Can I just pick up on one issue. In ordinary times, the Inquiry understands there's a five-week wait for the

first payment of Universal Credit. Do you accept that that five-week wait, which was maintained during the pandemic, would have posed issues for the newly unemployed, who were, after all, the intended beneficiary group?

A. Gosh, we could get into a very long debate about the five-week wait -- which, my Lady, I'm not going to do, you'll be pleased to hear.

So I -- I think the -- there wasn't any capacity or scope or bandwidth or the ability to change the set-up and make-up of the IT system within such a short period of time, even if we had wanted to. It just wasn't a priority. And there was already a well established principle and process of advances. So a claimant could get an advance -- because of the way Universal Credit works, it's very similar to employment, in that it's a month in arrears, but you can, in effect, have an advance, which you then pay back over a period of time.

And I'd already been doing, my Lady, some work behind the scenes to ensure Universal Credit recipients kept more money in their pockets. So, for example, in the -- the fiscal event just before the pandemic, I'd managed to secure an extension of the advance repayment period from 16 months to 24 months, which is significant in terms of the amount of the deduction spread over a longer period. And -- and then also a cap on the maximum deduction from 30% to 25%. They don't sound significant but actually, in terms of your Universal Credit payment every month, they are significant. I wanted to assure people kept more money in their pockets at the end of every -- every month.

So that advance process was -- was available during the pandemic, and people still could get a Universal Credit payment via an advance, usually within 24 hours.

Q. Okay, thank you.

Moving on then, within the topic of the uplift, the extension of the policy -- next subheading -- from April of 2021. So, as the Inquiry understands it, introduced for 12 months, get to April 2021, and there was an extension for six months.

And I want to really pick up three areas here: first, whether there were disagreements in government about whether to extend, and if so for how long; second, the timing of the decision to extend; and third, the continued exclusion of legacy benefits, because we are now a year on from the introduction, in April of 2021.

All right?

So, taking those in turn, disagreements about whether to extend -- and, again, accepting that the

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decision was not yours -- the decision was effectively taken, is this right, between the Secretary of State, the Chancellor of the Exchequer, and the Prime Minister?

A. Correct.

Q. Yes.

A. That's certainly my understanding.

Q. That was how you understood things were being done. And is this right: that your clear preference was that the uplift should be made permanent, first of all?

A. Yes.

Q. And, failing that, that it certainly should be extended?

A. Yes.

Q. And does this go back to the point you'd made earlier that this was extra money into the system that you felt was needed? However it had come into the system, you wanted to maintain it?

A. Correct. And -- and I've been really clear in my witness statement, and I've -- I've been careful not to criticise the Chancellor, not because we disagreed, and we did on this one, but because I -- the reason for me wanting to see the Universal Credit uplift made permanent was more because of the impact it had on low -- low-income individuals, disadvantaged and vulnerable groups, and the significant impact in terms of turning the dial on poverty. Lifting around

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950,000 people out of poverty, I think around 300,000 of whom were children, it was a very effective measure in that regard. And putting aside the Treasury's focus, which I suspect would have been on the original policy intent of the uplift, and indeed the prevailing epidemiological and labour market position, putting that aside, I would have wanted it to be retained because of the wider societal benefits and to those individual claimants for whom I knew it was an absolute vital lifeline and transformational.

Q. Thank you.

Now, the Inquiry knows that on 25 September 2020 the Secretary of State wrote to the Prime Minister expressing her view that the uplift should be made permanent for all the reasons that you have just given, and asked officials in the department to prepare options on the future of the uplift to present to the Prime Minister.

By October of 2020, things had shifted slightly, perhaps, and we understand that the Secretary of State wanted to maintain the uplift but there was a suggestion now that there should be a reduction in the standard allowance to £10, and the child element should be uplifted by £10 a week, which would, correct me if I'm wrong, be an example of a slightly more targeted level

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of support so that those who had children would get more money than those who didn't. Did your thinking align with that?

A. It -- it did, and we were scoping out numerous options and -- and that particular option turned the dial more significantly on child poverty, and it was in line with CPAG and other stakeholders representing, in particular, vulnerable groups but also children, that were pushing for it to be more targeted.

So we did explore that measure. It was fully worked up by officials, I think a formal proposal was put to the Chancellor and the Prime Minister via the DWP Secretary of State, but ultimately, my understanding is the Prime Minister rejected it and gave some clear reasons for it.

Q. Well, we'll come on to that, but thank you for that answer.

Is it fair to say that by this point, then, that from the -- from your perspective, that your focus had shifted from providing support to those who'd lost their jobs in the pandemic to this longer-term aspiration of lifting people out of poverty? So as far as the continuation of the uplift was concerned, it wasn't really about the pandemic for you anymore; is that fair?

A. No, no. It still absolutely was, because the labour

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market hadn't recovered, and I think if you refer even back to my email to the Secretary of State's office on 6 August, I make that point: that the -- Covid was very much still with us, the labour market hadn't recovered, the original policy intent still stood but what we had now was that additional evidence which showed the broader positive benefit that the policy had. So the original intent stood but there were, in my view from a DWP minister perspective, some other really compelling reasons why this should be retained over and above the existent and remaining objectives as set by the Treasury.

Q. And you privately were lobbying other MPs, ministers, to try to secure that permanent extension, weren't you?

A. Well, I'm conscious I shouldn't have been and it probably wasn't in line with collective responsibility, but yes, yes, I was.

Q. If we could see INQ000549332, please. This is between you and Michael Gove:

"... would I be able to have 5 minutes ... of your time to flag a political issue coming down the track with the temporary £20 per week [Universal Credit] uplift? I fear this could be much worse than free school meals if we do not get this right and would like to put it on the radar. Also keen to touch on the

future."

Is that right?

A. Yes, and look, I'm conscious I probably shouldn't have -- I was bound by collective responsibility but at the same time, I was determined, behind the scenes, to do all I could to persuade the Chancellor and use every avenue that I had available to me to keep the uplift. And I was keen to stress to Michael, who I believe had the ear of the Prime Minister, I think he was the Chancellor of the Duchy of Lancaster at the time, so he had a more political hat on, perhaps, than any other member of the cabinet, just to make sure that he was aware that this was coming down the track, and I was also keen just to stress that we needed a decision as quickly as possible.

And I understand why the Chancellor would have wanted to keep to fiscal events, they always do, and I totally get that, but when we're talking about benefit claimants, there is something about notice, and timing, and ensuring that people have time to budget, and although it was, as the Chancellor will no doubt say, always badged as a temporary measure, people need to know as soon as possible if it's going to continue or if it's going to be taken away and I made that point to the Chancellor and to the Prime Minister at the time.

Q. Yes. Well, let's pick up the timing point. I was going to ask you some more questions about the disagreement, but I think you've been quite frank, if I may say so, about that and your position and the Chancellor's position, and so let's move on to that timing point.

The reality is that eventually it was decided that it would be extended, the uplift would be extended. There was a trilateral meeting, we understand, between the Prime Minister, the Chancellor, and the Secretary of State on 15 January 2021, and of course it's due to end in April, at the end of April. So that date is getting closer and closer.

We understand there was a further trilateral meeting on 4 February of 2021, and it was on 18 February, at a bilateral between the Chancellor and the Prime Minister, that the uplift was finally secured. So not much more than a month before it was due to end.

And what are your concerns about how it took so long, and the impact of -- or the effect of announcing that sort of policy just before it's going to end?

A. Well, I think if -- if you were the Chancellor, and thankfully I never was, you would say, "Well, hold on, it was always badged as a temporary measure", my Lady, and it was due to end at X point, and then there was instead a positive decision to extend it. So, the --

the extant position was that it was going to end in -- in the spring. The fact the Chancellor then made the decision to extend it, very positive move in my view.

I think the problems with that -- and I made this clear in other messages and meetings with and discussions with colleagues -- is that when you're dealing with those who are on very low incomes, actually, the ability to plan ahead and budget is really, really important.

So the greater lead time you give people as to whether they are going to have an additional £20 a week coming in via their Universal Credit account is really, really important. And I was just trying to stress that point: that the earlier the decision is made, the more people have time -- and we're talking about some very vulnerable and disadvantaged people around the country -- have time to plan for any change that might be coming, or staying the same if it is indeed staying the same.

Q. I'm going to ask to that end if INQ000549330 could go up, please.

This is a message from you to the Prime Minister, the then Prime Minister, on that point about timing:

"I totally agree with you boss and will go out to bat on Monday for [Her Majesty's Government] but please can we make a decision on [Universal Credit] soonest and certainly pre the Budget on 3rd March as to give [Universal Credit] claimants less than a month's notice of a significant drop in benefit would be so very difficult for many who already struggle with budgeting."

That's really the point you've just made set out in a message.

A. Yes, it is. And it -- it's not normal practice for a parliamentary under-secretary of state to -- to be sending messages to the -- the Prime Minister, but I was increasingly concerned about the -- the time it was taking to make a decision. And I -- I don't know, and still don't know today, the competing fiscal priorities the Chancellor would have had, and the many, many things that would have been on his plate, but this was all that I cared about at that moment in time, and those vulnerable and disadvantaged claimants were who I cared about, and they were my priority, and that's why I sent the message.

Q. Leaving aside the fiscal and political choices that are involved in whether or not to extend or not, had there actually been any analysis conducted by the department or the Treasury of the success of the uplift as against its original objectives? I mean, you can point to success in the sense that it was stood up very quickly

and the money got out of the door very quickly, but in terms of the extent to which it actually did what it had been intended to do, was any analysis done of that?

A. So all the analysis that I'm aware of, I think, is exhibited in my witness statement. Although in terms of the original policy intent, it's probably more Treasury that would be the better department to conduct such analysis. The Department for Work and Pensions continued with their analysis of poverty and the impact on household income, and the Universal Credit uplift clearly played a part in that. That's how we knew the impact that it had had on poverty, poverty rates and figures.

But I don't know what particular work was done within the Treasury in terms of analysis against their original policy intent.

Q. And again, it's that original objective of cushioning the blow for those who had lost their jobs or income in the pandemic. Okay, thank you.

Can I move on then to the third limb of the questions on the extension which is the continued exclusion of legacy benefits. Now, you told us earlier today that so far as you're concerned it was this operational problem, that was the block, operational reasons that just meant you risked crashing the system

it would take a year, potentially, to arrange this.

But a year had now passed.

Now, accepting that the original policy had been for a year's uplift, so it might have been expected it would end, we've just seen that debates about extending it have been rumbling on for many months. Was anything being done in the department during that year to see whether the operational problems could have been overcome to extend the support to legacy recipients?

A. Well, certainly the one-off-payment option as we discussed earlier was considered and discounted. But in terms of the annual uprating, a decision would have been needed several months in advance of that in order to uprate legacy benefits. And again, that decision could only really have come from the Treasury, notwithstanding the -- well, largely because of the financial cost, but also because that decision would have had to have been taken, and again, Neil Couling is the better one to be able to answer this question but my understanding would be at least seven or eight months out from the point of uprating.

Q. So if it took about five months to programme the numbers in anyway, annually, to uprate from April 2021, you'd have had to be having a firm decision by September, October of 2020?

A. I think at the very latest, that's my understanding. And I think the fact that the decision was made so late, in fact -- I can't remember the exact date you said but I think it was as late as February --

Q. Yes.

A. -- of 2021, there was not a chance at that point that it could have been uprated in the same way. I think it probably would have needed to have taken place in the summer of 2020.

Q. So is your position, then, if you discount the idea of one-off payments, then the operational block remained, unless the decision had been taken much, much earlier?

A. Yes. But at the same time, again, going back to the sort of conversation we had or subject we had much earlier, we were still alive to the fact that there were people who did not benefit from the UC uplift that needed additional support, and through the COVID Winter Grant Scheme and the Household Support Fund, we were pushing for significant sums of money to go into local welfare assistance. And that came on -- off the back of discussions, meetings, with stakeholders like The Trussell Trust and others, Emma Revie, the chief exec there, and I discussed local welfare assistance scheme right at the beginning. So we were working on other measures outside of the uplift that would support those who weren't necessarily eligible for the uplift.

Q. All right, thank you.

Can I move on, then, to the end of the uplift in October 2021. So this is the penultimate issue on the uplift. All that's left after this is monitoring and evaluation. And when I've asked you about that, we've got easements, Long Covid, and reflections. So I think we're making reasonable time, just so you know. There is an end in sight.

So the end of the uplift. We know it ended in October 2021. We also know that you had left the department on 16 September 2021. And so you weren't involved in the moment at which it ended. But is this the position really: that, in effect, it wasn't a decision to end the uplift; it was rather that no decision to extend it was taken? Again, because it was going to end, it was always temporary?

A. Yes. And I sort of covered this in my witness statement, in that the Treasury view on this, I think, was very different from the department's view. Because as far as the Treasury were concerned, their policy position was: we've extended the uplift for six months and it will end on this date, subject to us deciding something different.

As in making a further positive decision.

Whereas the department would have had to have taken steps, system-wise, coding-wise, to remove the uplift. So it was a positive decision -- I wouldn't say it was "positive", but --

Q. -- no?

A. -- you take my -- take my point, that -- a decision to start removing the uplift from the system. So we saw it differently to the Treasury, but, you're absolutely right: it would have required another decision, a fresh decision, to extend, because we -- we wouldn't have had the money. Frankly. We wouldn't have had the several billions of pounds needed to extend it further.

Q. Do you think, as it developed, really, that the gap between the Treasury and the Department for Work and Pensions grew, in terms of how the uplift was viewed? By which I mean that the Treasury introduced it as a temporary measure to cushion the blow of those who had lost their jobs. The department signed up to that, but also saw the wider benefit of getting more people -- more money to people generally. And as the uplift continued, from the department's perspective it became, as you've told us earlier, more and more about actually helping people in poverty and trying to alleviate hardship, but the Treasury's position had remained fixed with why it had been introduced in the first place,

which was to cushion the blow of the pandemic.

A. I can't really speak to that, only because I -- it's only the Secretary of State that would have been in those meetings with the Prime Minister and the Chancellor.

Having said that, my approach was very much at that point, certainly from the spring onwards, that the compelling reasons for retaining the uplift were its wider impact on society and poverty, and they were very much a lot of the work that we were commissioning by way of evidence, and presenting to Number 10 and the Treasury, as a positive argument for retaining it in perpetuity. But I can't say what the view of Number 10, the Treasury, or indeed the Secretary of State is, because I know she was arguing for it and presenting the information that we were putting forward.

But I'm also aware that the Chancellor would have had many, many competing fiscal priorities and I'm -- we were asking for several billion pounds more, year on year --

Q. In perpetuity --

A. In perpetuity, quite.

Q. You were leaving the department, but you tell us in your statement that you had the unhappy task of being responsible for communications around the fact it was

going to end. I don't really want to dwell on those but, looking back, do you think that the department made it clear enough from the start that this was always going to be temporary, so that the messaging was clear enough at the outset that -- in other words, "Don't come to rely on this as a long-term uprating"?

A. It's a really good question, and I think if we'd have had the time and the system capability, capacity, at the time, to be able to actually separate out the £20 as a separate amount, if you like, on your UC account, that would have -- that would have clearly been preferable. So -- so people could see it was a temporary uplift. We didn't have the time or the scope or the bandwidth or capacity to do that at the time.

And also, frankly, having spoken with numerous benefit claimants, on visiting Jobcentres, but also those organisations and stakeholders who support claimants, it probably wouldn't have been noticed in any event. It's "I'm making a claim, what am I entitled to?" You're not really thinking about what's your child element, what's your housing element, what's your standard allowance. You're just thinking: well, what am I going to get at the end of this month and what can I afford?

So I think we could, with more time and resource and capacity, have done more to separate out that additional payment to make it really clear. Whether it would have been enough or noticed, I don't know, but I do know that there was significant media coverage at the time, including the Chancellor's statement, which did make it clear it was a temporary uplift to the UC payment.

Q. So moving on to the last topic, then, monitoring and evaluation. And I have asked you already a couple of questions about this because I asked you when you were talking about the extension whether you'd got any analysis of whether it had hit its intended beneficiaries. During the time that the uplift was in place, did you receive any analysis of how well it was assisting those it was intended to assist or any evaluation in real-time of how it was landing?

A. So not as I recall, other than the regular meetings and calls with stakeholders and others across, you know, the DWP who would be feeding back on the impact it was having at a grassroots level with individuals and families. And I found that those interactions with the charities and voluntary organisations hugely valuable, in terms of being able to feed back in to the Secretary of State, to the system, what was and wasn't working.

Q. Okay. Thank you.

Can I move on, then, to the fourth overall topic:

fraud and error from easements, please.

So we understand easements to be effectively a relaxation of the process by which claims are made and assessed, many of those taken due to the public health risks that were pertaining at the time. So in other words, face-to-face meetings became impossible and so on and so forth.

The Secretary of State made the decisions; is that right?

A. That's right, yes.

Q. But you obviously fed your views in to her?

A. **(Witness nodded)**.

Q. Did you consider that this was a sensible approach to introduce these easements, to get money to the people who needed them?

A. It's not so much whether it was sensible; it's whether it was essential. And the -- I find this topic really difficult because it pains me every penny that we lost to fraud during Covid, and, you know, every penny in that system that doesn't go to vulnerable claimants and disadvantaged groups, and it's lining the pocket of some serious organised crime organisation, is deeply regrettable. But we were presented with an almost impossible choice, and that was that the system, as it stood, because of the epidemiological conditions and the

situation in terms of closing Jobcentres, couldn't continue as it was, and we were presented with a clear choice and officials made it really clear to us that the system would not be able to cope unless these easements were introduced.

And we did that in the knowledge that we would be frustratingly, regrettably, opening the door to fraudsters.

And there are two types of fraud: there's individual fraud and that's an individual claimant who might say they've got more children than they actually have, or over-inflate their rental figure or say they don't have any savings when they've actually got significant amounts of capital. That was a problem, but those figures are often recoverable through checks later on.

The element that really concerned me, and there are numerous responses and documents in the witness statement backwards and forwards between my private office and officials, was the serious organised crime element -- I mean, it's appalling but they actively targeted our benefits system knowing that we had to put those easements in place to make sure that claimants got paid in full and on time.

And I think the difficult thing is, and I often think about this and I was thinking ahead about the

questions you might ask me, you've got to then also think about the counterfactual, and presented with Neil Couling and others who were really clear that if you don't introduce these easements, this system is going to fall over, and that means claimants aren't going to be paid, they're not going to make their rent, they're not going to make their payments, and on that basis, the counterfactual would have been that ministers would have ignored that advice, the system fell over, claimants weren't paid. I think we'd be having a very different hearing here today and, my Lady, you'd rightly be hauling me over the coals as a minister for not following the clear advice of officials.

But it's deeply regrettable that money was lost to fraud.

Q. So you do accept that from an operational perspective that had to happen otherwise the system would fall over, I think you did express concerns that, having taken those decisions, the department was not really being proactive enough about reviewing claims and doing what it could after the easements had been applied to identify cases of fraud; is that fair?

A. I think that is fair, and what --

Q. Well, can I just put an email to help you with this, because I'd --

A. Yes. I know the email you're referring to.
Q. -- (overspeaking) -- just like your view about it.
It's INQ000655624, please.
So we have the email from the -- at the bottom there to you:
"Hi Will, please find attached a box note ...
The proposal is for the team to review the 13,500 claims which have the closest direct link to a hijack ID claim for a two-week period."
Then:
"Would you like to give a firm steer ...?"
Then your reply is at the top.
A. Yes --
Q. "... I am surprised it hasn't started already."
So were you frustrated that there didn't seem to be enough urgency about this?
A. That was, again, somewhat more robust than my usual style. I'm not proud of that email either, but I -- I was getting frustrated by it, but I'm not going to criticise DWP officials, because we were asking them to do the near-on impossible. They were under huge pressure. But I was just growing increasingly concerned about fraud and making sure that we were doing all we could to mitigate it and minimise it.
And it did get to the point, actually, with some of

our fraud operations -- my Lady, I don't think I'm at liberty to even go into the names of them, let alone -- because I think maybe some of them are still ongoing -- but we were meeting daily and then weekly and I was feeding back, as you'll see, my Lady, from the weekly notes to the Secretary of State on the action resulting from those fraud activities.
So I'm not going to criticise officials, that email is probably more curt than I would have ordinarily sent, but I was getting frustrated because I -- I needed the department to have the same sense of urgency that I felt, that this was taxpayers' money that should be going to claimants that is -- that is going to some pretty awful people.
Q. Thank you. Just picking up on one discrete area, I think it was identified there was a problem between cross-checking whether people had applied for Universal Credit and Self-Employed Income Support? Because they were administered completely separately.
Can you, looking forwards, think of any solution to that, or any measures that could have been put in place earlier?
A. So, look, I -- I mean, I don't -- I don't recall that particular situation, but -- but I -- I think we -- during -- towards the last few months of my time at the

Department for Work and Pensions, working with the Cabinet Office, I was increasingly seeking -- and I think actually the government now is bringing forward legislation to do this -- to actually have more ability and visibility cross-government of what's happening.
And we were looking at HMRC and bank data to be able to say: well, if -- if somebody -- and this is more on the individual side than the serious organised fraud side -- that if someone is making a claim, the system across government should really be able to identify, if you're holding the data in a different government department, whether that's true or not.
So I think the more data sharing there can be, within all the usual guidelines and safety and everything else, GDPR, to ensure that claims are accurate -- because some of these are -- it's error, it's not fraud, it's a mistake, and they didn't realise the question, to be fair to people. But the better the data sharing across government, the more you can minimise the error and, dare I say, a bit of the fraud, as well.
Q. Thank you.
Can I move on then to the fifth and penultimate topic, Mr Quince. That is the consideration of Long Covid by the Department for Work and Pensions.

Now, obviously at the start of the uplift, March 2020, we can proceed, I think, on the basis that you weren't factoring in Long Covid because it wasn't a condition that you knew about at that time.
Was there any factoring in of the potential for long-term conditions at that time that you're aware of?
A. To my knowledge, no, but it probably wouldn't have come across my desk or fallen within my remit in any event, because, although I had responsibility for the system, and therefore the payments, any particular condition, and the interaction and relationship with stakeholders would have been the Minister for Disabled People and the Secretary of State. So I would -- I wouldn't have been -- wouldn't have expected to have been sighted on that. And nor would I have any visibility of any interaction with particular conditions.
Given that the system, and my understanding is -- it's not my area of expertise, but it's all based on capability as opposed to specific conditions, and if somebody with -- suffering from Long Covid was eligible, they would have been eligible.
But I don't recall any specific reference to Long Covid during my time in the department towards the latter months of me being there.
Q. Looking ahead, now that Long Covid is recognised

condition and people do know what Long Covid, is or some people do know what Long Covid is -- and this really goes to the point of the question -- do you think it would be a good idea, going forwards, for Jobcentre staff, those responsible for assessing claims, to have training in long-term conditions like Long Covid so that they can identify the difficulties and take that into account when making decisions about eligibility?

A. I mean, it's a fair question, just not one I feel qualified, ever having held the disability brief or interaction with the way work capability assessments are made, no. I mean, instinctively, the answer has got to be yes, hasn't it? I mean, the more informed those making assessments are about individual conditions and how they may affect somebody's capability and their potential interaction with the labour market, that's got to be, instinctively, that just feels like it's got to be beneficial but I'm afraid I'm not really qualified to give any more than just that instinctive response.

Q. Okay, thank you.

And so can we turn, then, to the final section of questioning, which is looking forwards now. Having been minister in the DWP at the time, having learned what you've learned, knowing how the department operates, looking ahead to a future civil emergency, and you've

done some thinking about this in your statement, I really want to pick up on that. You say at, I think it's paragraph 117 of your statement that it would help to identify "off-the-shelf options for economic interventions".

Can you just expand on your thinking on that?

A. Yes, so I think, in effect -- and again, I wasn't, to quote Hamilton, in the room where it happened, if you like -- but on -- when the UC uplift policy was designed per se, but my understanding is it was a "this seems like a good thing to do; how would you operationalise it?" And there was that backwards and forwards between the departments. I think having a suite of potential options that can be taken off the shelf for particular examples where the system we know has the capability and it can be operationalised and by when, I think would give -- it would give the information needed to both Treasury, Number 10 and the department to adapt to different situations because as I mentioned earlier, my Lady, any pandemic civil emergency could take very different forms.

I've referenced in here a potential cyber threat. Well, in that case, Universal Credit could be a problem. And in this case it was the fact we had to close Jobcentres, so Universal Credit was a godsend. But

I think having those off-the-shelf options, and I think the department had some, but in my experience, and I put this in my witness statement, they were largely based around their learnings and experience from the 2007-2008 financial crash and the situation and the times were very different.

You know, people were very happy to go on their smartphone and meet a job coach, a work coach. They don't need to go into a Jobcentre to do that.

Now, that then, has implications for the number of work coaches you need, the number of offices you need to rent, for example. And that's just one response and not an immediate one to a pandemic. But the point being the more you've thought about these things and the more tools you have that you can just take off a shelf and say: that might need a little bit of adjustment but that's going to fit this scenario, and you know that the systems can deliver it, I think the better policy and decision making in government ultimately would be.

Q. Thank you.

I undertook I would come back to this and give you an opportunity to expand on it and so I will, and it's the idea of a household dataset that would enable targeting. What's your view about that and how beneficial that would be in a future emergency of any

kind?

A. I mean, I sort of come at this from the principle that the more data and real-time rich data that policy and decision makers have, the better informed those decisions are inevitably going to be. And the reason I stress real term (sic) is you can then pivot accordingly once you've assessed how well you're delivering against the original policy objectives. So that rich, real-time data, I think, would be hugely beneficial.

Q. It might be said in reply that everyone can always say that more data is a good thing, but what does that actually look like, in reality? How, through the DWP, would that be collected? What would it mean?

A. Well, the department already does a really effective job on this when it comes to poverty. And it looks at the drivers of poverty and the different policies and modelling of how -- the impact of different policies. But I think the more information from Treasury, in real term about what's happening in the labour market, about that real-term -- real-time data, which would enable individual departments to pivot policy accordingly, I think could only be beneficial. I can't say exactly what it would look like, but just in my experience, the more data you have available to make your case, the

better the policy ends up being.
Q. Do you mean that it wouldn't look like waiting a year for the ONS to publish --
A. Correct.
Q. -- hard official statistics, but having that sort of plumbed-in ability to pick up live --
A. I think that could only be helpful. It could only be helpful.
Q. You've touched on this, the idea of a back-up to IT capability and IT systems so, as you said, if the system was taken out by a cyber attack there'd be a need to do something different. So does that factor in to your earlier point about having a suite of options that are available, depending on the nature of the emergency?
A. It does. And I think again, to the Department's credit, it has a really good balance between an online dynamic, agile system that anybody can access from home with a smartphone or computer or tablet, and the ability to make a phone call, or go into a Jobcentre, or to go through Help to Claim or other services. I mean, I've been out of the department for quite some time now and out often government and politics, so I don't know exactly where we are now, but I think just being very careful not to have a single point of failure.
So not -- so making sure that there are options

other than just an online application to Universal Credit, I think, is really important.
Q. And just one final area of reflections to get your view. I'm not going to ask you about what easements might look like in a future emergency, because we don't know what a future emergency might look like, but do you think, generally, there ought to be better signposting at the time that easements are applied, if they're needed again, that there will be retrospective checks, there will be a system for scrutiny, to deter fraudulent claims?
A. It's a really good question, and one I've pondered myself for two reasons: I mean, the first is I don't think the public need to be reminded not to commit fraud to not commit fraud. I don't think most people fill out their universal claim thinking: how can I game or rig the system?
That's the first point.
Then, secondly, there's a wider point about that the individuals committing fraud and error often can be adjusted and retrospectively dealt with by identifying where something hasn't been filled in correctly -- let's just say, for argument's sake, that it was an error. That can be addressed later on, especially if somebody is still within/the Universal Credit system.

The worry that the department always had, because I wanted us to talk about fraud more. I wanted this to be a sort of national endeavour that the public really got, you know, got behind us and helped to tackle the fraud challenge, the department was always really concerned about: the more you talk about it, the more you're identifying the vulnerabilities of system.
And if you remind, through boxes and other things on the UC system -- actually, that wouldn't have been deliverable in time at the earliest part of the pandemic anyway, so park that for a moment -- but the more you highlight the vulnerability of the system, the more you open the doors to the serious and organised crime element. And frankly, as officials told me, that's the money you're sadly never going to see again.
MR WRIGHT: Okay, thank you very much.
Those are my questions. I think, my Lady, there are some Core Participant questions.
LADY HALLETT: There are. Although I don't know whether Mr Quince can answer your questions, Ms Sivakumaran, but please have a go -- in light of some of the answers that he's given, is what I mean.
MS SIVAKUMARAN: Yes, indeed, and in fact, my Lady, I was going to address you on that.
As I think you've noted, I was granted permission on

questions which he has slightly addressed, but if I may ask a follow-up question instead about how he came not to be informed about the Long Covid Oversight Board and Long Covid by the time he had left in the time preceding his departure from his role.
LADY HALLETT: All right, as long as you can take it shortly, thank you.

Questions from MS SIVAKUMARAN

MS SIVAKUMARAN: I can indeed.
Now, Mr Quince, I understand that you weren't informed or aware of Long Covid by September 2021, when you left your post; is that right?
A. Well, to be clear, I mean, aware of Long Covid? I mean, I suspect I -- and I can't recall, but I would have been aware of the existence of Long Covid potentially. I can't -- can't say that for sure, but I thinking in more a ministerial capacity that I don't recall it ever coming to my attention as -- as being a factor in terms of the Universal Credit system, so it didn't come into any submissions, for example, as I recall.
Q. And what we are aware of is that there was a Long Covid Oversight Board meeting on 22 June 2021. DWP was invited, and DHSC, which hosted the board meeting, noted that Long Covid had potential for wider socioeconomic impacts and that there was a need for robust and

coordinated approach across government.

Now, from what you've said, you weren't informed in any submissions. Can we take it that you weren't informed of the Long Covid Oversight Board or those wider socioeconomic impacts of Long Covid?

A. My recollection, my Lady, is no, but I think for context, given what the learned lady has just said, I think it would have been the Minister for Employment, Mims Davies, and the Minister for Disabled People, Justin Tomlinson, that would have been cited on that, and not -- and not me. I think it's unlikely that that would have come to my attention.

Q. But in respect of how you would consider how people with Long Covid who were applying for Universal Credit might be affected, can -- you say that it didn't come across your desk; was that a failing in respect of your officials or coordination with the Minister for Disabled People? Can you explain that?

A. So, neither. So in terms of the -- I sort of explained a little bit earlier -- the process for claims, I had responsibility for the system, but the work capability assessments and disability elements were covered by the Minister for Disabled People, so he would have had the focus on that area. I did not have responsibility, for example, the assessors, or the assessment process, or

system; that would have fallen under both the Secretary of State and the Minister for Disabled People.

Q. Just a final question on that, you did have responsibility for the Help to Claim scheme, didn't you?

A. Correct.

Q. And so that would have been one mechanism in which you could have been involved in providing further information about Long Covid for people who were trying to access benefit claims; is that right?

A. Yes, I mean, that's a fair point. And I think that the -- just for context, the Help [to] Claim, which was run by Citizens Advice, I held the relationship with Citizens Advice and my role was to hold them to account for the contract, if you like, that we had with them to provide the Help to Claim service. But you're probably delving into minutiae that I wouldn't have got into with Help to Claim at a national level.

My meetings with them were very high level, with the chief executive, and it was about the contract and the way it was being delivered at an individual Jobcentre Plus level.

I also had those meetings alongside the Minister for Disabled People, and it was really important that he was there representing the voice of disabled people in that process.

LADY HALLETT: Thank you very much.

Ms Smyth?

MS SMYTH: Thank you, my lady --

LADY HALLETT: Are you switched on?

MS SMYTH: Of course not.

Counsel to the Inquiry has already asked our question but could I have permission to ask a brief follow-up question which is in relation to whether Mr Quince was aware of the department having considered a possible alternative, and it's in the light of the answer that he gave?

LADY HALLETT: Very well. I'm going to start clamping down on follow-ups, I appreciate I've allowed two or three today so carry on, Ms Smyth.

Questions from MS SMYTH KC

MS SMYTH: Thank you, my Lady.

So Mr Quince, you've accepted that one of the key policy rationales of the benefit cap was to encourage claimants to look for work, and that ability was seriously curtailed during the pandemic, and you've also said that suspending the benefit cap entirely would have required primary legislation and that it would have posed operational challenges. Now, you may not be able to help with this question, but are you able to say whether the department considered any other measures

which could have been implemented through secondary legislation, and which would have reduced the number of people subject to the cap or increased the number of people who were exempt from it? So an example might be reducing the amount that households had to be earning to be exempt from the cap whether currently or historically, or increasing the grace period?

And of course if you can't help with that, just say.

A. Yes, I mean, my Lady I can't help with that. I haven't even had sight of the Minister for Employment Mims Davies's witness statement, but I would have thought either that witness statement or the Secretary of State, former Secretary of State might be able to help in that regard.

MS SMYTH: Thank you.

LADY HALLETT: Thank you, Ms Smyth.

Ms Beattie.

Ms Beattie is just there.

Questions from MS BEATTIE

MS BEATTIE: Mr Quince, I ask questions on behalf of national Disabled People's Organisations. In a letter of 30 March 2021 from your colleague in the Department for Work and Pensions, the Minister for Employment Mims Davies, MP, to Child Poverty Action Group and other children's groups, it was stated that neither the

Department for Work and Pensions nor HMRC can advise individual claimants whether they would be better off moving to Universal Credit or remaining on legacy benefits.

Is it correct that throughout the pandemic, DWP and the government were not in a position to advise individual claimants about moving to Universal Credit, including whether they might be worse off and lose entitlements which they would then not be able to recover?

A. Yes, I mean, gosh, I'm trying to recall exactly. My understanding was the department signposted individuals to a benefits calculator or claim checker where people could check whether they would be better or worse off by switching from legacy benefits or were Working Tax Credits on to Universal Credit because you are right: there were people who would have been worse off or lost their entitlement altogether. That concerned me greatly and I worked with Neil Couling and others in the department to introduce a check box into the system just to make sure that people had checked in advance -- we can't do it for them, but to check in advance that this is definitely the right decision for them because you can't go back to Working Tax Credits, for example.

And I don't recall exactly, I know that check box

was introduced, and it was in direct response to, I suspect, some of the organisations you represent and others who made this is point to us. Would I have liked it to have happened faster? Yes, of course I would, but it was a system design that had to be built into the system, but we did recognise it and we did put that in place.

Q. And just to be clear, that benefits calculator is something online; is that right?

A. I'm trying to -- I think so. I'm trying to -- I think there are several online including through disability rights organisations that provide such calculators but it's been a long time, sorry.

Q. Now, her Ladyship's report last week obviously found that digital exclusion was a matter that greatly affected disabled people. Would it be right that that, then, would maybe not have been really an accessible option for disabled people during the pandemic, to use an online calculator?

A. The online calculator? I mean, potentially not, but there were other organisations that I know stood ready to support people, including the department had phone lines open, Help to Claim was open, a number of charities and organisations were still supporting claimants that had issues with using technology. But in

terms of a future pandemic, should that be something that should be explored? I don't see why not. I think it sounds like a sensible proposal.

Q. I'm grateful. In your statement, you say that there were measures taken, in your view, to ensure that those on legacy benefits were not overlooked in relation to the comparison to the Universal Credit uplift, and you mention in that regard that legacy benefits were increased through annual uprating by £600 million from April 2020 and a further 100 million from April 2021.

It's the position, isn't it, that quite apart from any issue concerning the uplift to Universal Credit, that annual uprating is a regular occurrence aimed at keeping benefits in line with inflation and not a specific pandemic support measure? That's right, isn't it?

A. That's right yes.

Q. And again, just to be clear, that 600 million that you mention from April 2020, you've explained that things have to be laid in place some time in advance, and is that through a statutory instrument that that's done?

A. So yes, for the statutory instrument but in terms of the legacy benefits systems, it's more, I think, the coding behind the scenes that actually make it happen.

Q. So that 600 million from April 2020 had actually been

set in place, I think, at least by January 2020 --

A. I think so, yes.

Q. -- before the pandemic even really got going at all, let alone before its impact was felt; is that correct?

A. I think so, yes. Yeah.

Q. So it wasn't in itself a measure taken to ensure those on legacy benefits were not overlooked in relation to the pandemic, it was just part of an annual exercise that had happened even before the pandemic; is that right?

A. In terms of the uprating, yes the 600 million and the 100 million were part of an annual uprating exercise and process.

Q. And then finally, you refer in your witness statement to laying a lot of importance on engagement with charities and organisations supporting vulnerable claimants, and you set out details of some meetings and contacts that you had with charities and organisations representing vulnerable people. We don't see there any consultation or meetings with Disabled People's Organisations, namely organisations that are majority-led, directed, governed, and staffed by disabled people?

Do you agree that there is benefit in engaging with such organisations, both to identify who needs support and to help and implement measures to get that support out effectively?

A. It's a really fair question, and the way governments have always worked, and government departments have worked, is specific ministers will meet stakeholders and organisations that represent groups that -- within their specific remit. So, as a result, the organisations you rightly reference would have met with the Minister for Disabled People, and -- and actually a lot of the groups that I met and are listed, and I suspect there were more, but these are the only ones I could find in a relatively short period of time, did represent disabled people as well as part of their broader remit, but -- but, of course, behind the scenes, I would have been talking with the Minister for Disabled People, the Minister for Employment and, indeed, the Secretary of State. We didn't work entirely in silos, but just from a, sort of, logistics perspective, and also just a capacity perspective, we would inevitably meet with stakeholders and groups that best fit within our particular departmental responsibility. But inevitably, you talk and you cross over, and there were meetings, for example, with Macmillan that I attended with the Minister for Disabled People.

MS BEATTIE: Thank you, my Lady.

LADY HALLETT: Thank you very much, Ms Beattie.

That completes the questions we have for you, Mr Quince.

I'm extremely grateful to you. It's probably been a long afternoon for you, but put it this way: some former ministers have had to put up with rather more demands from the Inquiry. So, thank you very much indeed for your help, very grateful to you, and in putting together the witness statement, which obviously I'll also read, in case anything occurs to you on the way home, don't forget I will be taking into account the written material. Thank you for your help.

I think that completes, save for one matter about a restriction order?

MR WRIGHT: Yes, please, my Lady. Could we seek your permission, please, for a restriction order to redact the name of a junior official that was named during the course of the evidence this afternoon from both the transcript and the YouTube video.

LADY HALLETT: Very well, so be it.

Thank you very much. I shall return for a 10.00 start tomorrow.

(4.23 pm)

(The hearing adjourned until 10.00 am the following day)

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