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Statement No.: M9/DWP/02

Exhibits: NC/M9-2

Dated: 22 October 2025

UK COVID-19 INQUIRY

MODULE 9

WITNESS STATEMENT OF NEIL COULING CB, CBE

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SECTION 1: ROLES AND RESPONSIBILITIES

- 1.1. I, NEIL COULING, Director General (DG) for DWP Services & Fraud, Disability and Health at the Department for Work and Pensions (DWP), Caxton House, 6-12, Tothill Street, London, SW1H 9NA, WILL SAY as follows:
- 1.2. My address and date of birth are known to the Inquiry.
- 1.3. I am providing this statement in response to the Inquiry's draft Rule 9 Request dated 19 June 2025 (the 'Rule 9 request'). The Inquiry has requested information on my role in the decision making and delivery of economic interventions in response to the COVID-19 pandemic. The Inquiry also seeks my views and reflections on the economic interventions I was involved with as well as areas in which I had no direct involvement.
- 1.4. My role focussed on the Department's initial response to the Pandemic and the Universal Credit measures introduced, including the uplift implemented in April 2020 for 1 year, and extended for a further 6 months in March 2021. The uplift was removed, as planned on 6 October 2021.
- 1.5. I am not in a position to offer significant insight on the questions raised on the Job Entry Targeted Scheme (JETS), Restart, Kickstart, Statutory Sick Pay and the Statutory Sick Pay Rebate Scheme. I was not the Senior Responsible Officer for these programmes or interventions as such I had no direct involvement in their design and implementation.
- 1.6. I was appointed as Director General for DWP Services & Fraud, Disability and Health on 17 March 2025 with responsibility for the Fraud, Error and Debt (FED) Programme, FED delivery and policy, as well as leading the delivery of Disability Services with responsibility for the Health Transformation Programme, the delivery of Child Maintenance and Pensions. In addition, until 31 March 2025, I was the Senior Responsible Owner (SRO) for Universal Credit, a role I held since October 2014 with accountability to Parliament for implementing the Government's main welfare reform programme. Prior to this I was the Director General of DWP's Change and Resilience Group. In April 2020 I was appointed as SRO for DWP's COVID-19 response.
- 1.7. As Director General, I am given sight on proposals submitted to Ministers and regularly provide steers to officials to ensure that key messages are clear.

- 1.8. During the pandemic, I exercised my responsibilities in line with established departmental conventions and lines of accountability. I acted on behalf of the Permanent Secretary and the Department in relation to operational matters within my remit and within the authority delegated to me.
- 1.9. Civil servants provide expert advice based on our delivery experience and understanding, but ultimate responsibility for policy decisions lies with Ministers. Matters involving wider policy intentions, cross-government impact or requiring formal Ministerial approval were referred upwards to the Permanent Secretary and where appropriate, Ministers. The key difference during the crisis was the speed of interaction: decisions and clearances were often secured at pace, through phone calls and informal discussions rather than through the standard processes that would normally be used outside of a crisis response. The delivery approach agreed by DWP's Permanent Secretary and Executive Team included restructuring DWP's response around the Implementation Planning and Delivery Executive governance structure established during the crisis and empowering me to lead DWP's operational phase through this mechanism, while ensuring Ministerial oversight and accountability were maintained throughout, including escalating policy decisions to Ministers in line with conventions.
- 1.10. While I have a good personal recollection of some of the events or processes described in this witness statement, I have also co-ordinated and liaised with colleagues that have the relevant knowledge and experience across the Department. Their contributions have been used to respond to the questions in the Rule 9 Request. My statement therefore relies upon those contributions to form the responses in this statement. I am also reliant on document archive searches conducted by colleagues.
- 1.11. My statement should be read subject to the caveats above. I have done my best to assist the Inquiry against these limitations. If further material is made available to me, I would be happy to add to or clarify this statement to take it into account.
- 1.12. DWP, as the UK's biggest public service department, is responsible for delivering vital services to around 20 million citizens. The Department administers the State Pension and a range of working age, disability and ill health benefits. It is a large volume business, one of the biggest in the UK. For example, between April 2024 and March 2025, the Department

processed an intake of approximately 4.9 million new benefit claims and answered approximately 39 million customer calls across all DWP service lines.

- 1.13. The COVID-19 pandemic presented a challenge of how to continue supporting those already in receipt of support whilst also meeting the needs of millions of new customers affected by the economic impact of the pandemic and the subsequent measures to limit its spread. It was vital that people knew that financial support was in place, so they did not attempt to go out to work and undermine the non-pharmaceutical interventions regime of the initial phase of the response.
- 1.14. Before the pandemic began, there were 2.8 million people claiming Universal Credit. In the four weeks following the first lockdown, the number of people claiming increased by about 40%, or 1.2 million more claims. By 9 July 2020, there were 5.6 million people on Universal Credit, an additional 2.8 million, equating to an 100% increase in claims. **(See NC/M9-2/01 - INQ000657883, quarterly Universal Credit statistics up to July 2020) and NC/M9-2/02 - INQ000114224 (DWP00455643), the Annual Report & Accounts 2020-21).**
- 1.15. The volume of new claims to Universal Credit peaked in March 2020 at nearly 1.4 million declarations that month, compared to 270,000 in March 2021 and 260,000 in March 2022. Typically, in a normal pre pandemic week, there would be approximately 10,000 new claims a day to Universal Credit but in just one night on 26 March 2020 the Department had to urgently increase its system capacity by around 25% to handle approximately 136,000 new claims. This is a good example of the challenges faced at the start of the pandemic. An analogy I have often used to describe it is that it was like laying tarmac in front of traffic while it was moving very fast behind us.
- 1.16. Responding to the unprecedented scale of this challenge required DWP to innovate the way our services were delivered. I, along with other members of the Executive Team, acted swiftly to re-prioritise and align the whole Department to keep the benefit system functioning and maintain services to existing customers, whilst ensuring it was positioned to process the huge surge in claims.
- 1.17. DWP runs a high-volume operation, receiving over 1 million telephone calls and processing 100,000 claims each week. Even before the pandemic, the system was already under significant operational pressure, running close to its limits. Faced with a massive and unexpected surge in demand, the Department developed responses that utilised existing

resources and delivery mechanisms rather than trying to develop wholly new approaches within the extremely tight time constraints in which DWP were working. This was judged to be a lower risk approach, ensuring we could meet the challenge of continuing delivery of our services to existing customers and responding to the new demands for financial support the pandemic generated. It was vital that any new measures introduced in response to the pandemic were carefully considered alongside practical delivery and time constraints, and the critical need not to overload the benefit system and disrupt existing DWP services/payments to the millions of people, including vulnerable individuals and families, who relied on them, particularly during a time when other financial support, such as 'Furlough' was not yet available.

1.18. The Department acted quickly to implement several policy and operational changes, including:

- Redeploying around 10,000 DWP staff and 1,000 from other government departments from corporate or lower priority roles to handle the unprecedented surge in claims. Providing 20,000 laptops and other IT equipment to enable staff to work remotely.
- The "Trust and Protect" regime, which meant accepting information from claimants over the phone and verifying evidence later via case reviews. This approach allowed for quicker payments while ensuring that necessary checks were conducted later. It was introduced in March 2020 and, while it had no single end date, all associated easements were either closed or absorbed into business-as-usual by March 2023, with fraud-risk easements removed before the end of 2021.
- On 17 March 2020, DWP suspended all face-to-face assessments and most award review / reassessments for health and disability benefits, including for the additional health-related element of Universal Credit. Face-to-face assessments were reintroduced from May 2021.
- On 19 March 2020, it was determined that people receiving benefits, such as Universal Credit did not need to attend Jobcentre appointments, as had previously been the case, and on 24 March 2020, Jobcentres closed for face-to-face appointments unless necessary. In April 2020, the 'Don't call us, we'll call you' campaign began. A bolstered front-line team proactively called customers if they needed to check any of the information provided as part of the Universal Credit claim, as well as messaging them on their online journal (used by both claimants and staff to communicate with each other).

- From 13 March 2020, for gainfully self-employed Universal Credit claimants, the Minimum Income Floor (an assumed level of income) was suspended. The Minimum Income Floor is a calculation that assumes a certain level of earnings for self-employed claimants, even if their actual income is lower. It is essentially a notional income used to calculate their UC award. This means that if a self-employed person's earnings fall below the Minimum Income Floor, their UC payment will be based on the assumed income rather than their actual earnings. So, this change made Universal Credit payments for these claimants more responsive to a drop in self-employed income because of the pandemic.
- DWP increased the Local Housing Allowance rates for Universal Credit and Housing Benefit claimants so that it covered the cheapest third of local rents.
- The additional earnings disregard (the level of other income which can be earned without affecting entitlement to housing benefit) was increased to ensure increases in the maximum rate of the basic element of Working Tax Credit did not have an impact on a claimant's Housing Benefit award.

- 1.19. My role was to oversee the mobilisation of the Department to meet this challenge and within the first weeks of lockdown, DWP quickly transformed a system that used primarily face-to-face engagement into one that could run remotely.
- 1.20. In the early stages of the pandemic, we scheduled daily COVID-19 catchups between our Ministers and the DWP Executive Team, which I attended. (See **NC/M9-2/03 - INQ000658586 DWP00471288 – which is a readout from the catchup on 19 March 2020, NC/M9-2/04 - INQ000658587 WP00316278 - which is a readout from the catchup on 31 March 2020, NC/M9-2/05 - INQ000657881 which is a readout from the catchup on 1 April 2020.**
- 1.21. In response to the COVID-19 pandemic, DWP immediately stood up a Gold/Silver/Bronze command structure to manage the Department's response to the incident. Gold/Silver/Bronze command is a command hierarchy used for emergency and business continuity operations, with the three layers corresponding to strategic/tactical/operational, respectively.
- 1.22. It became apparent that the Gold-Silver-Bronze command structure, which is a command hierarchy intended for the management of an emergency response, was becoming overwhelmed with the volume of demands of such a large-scale crisis. In early April 2020,

DWP's Executive Team judged that because the incident required longer term handling, the response needed to take the form of a programme response during which the delivery mechanisms of the organisation could be re-evaluated and decisions made. DWP Executive Team appointed me as Senior Responsible Officer and I set up the Implementation Planning and Delivery Executive to oversee delivery of the Respond phase. I appointed Iain Wright from my senior leadership team as the Programme Director. The group initially met daily, 7 days per week. **[NC/M9-2/06 - INQ000103114, NC/M9-2/07 - IN0000103115 and [NC/M9-2/08 - INQ000103116]**. I maintained oversight of the Implementation Planning and Delivery Executive and they reported directly to me.

- 1.23. The implementation of forums such as the Implementation Planning and Delivery Executive and Portfolio Management Executive were designed to enhance DWP's standard Gold Command arrangements, specifically for the pandemic.
- 1.24. As set out in more detail in The Department's Module 9 Witness Statement, the Implementation Planning and Delivery Executive retained delegated responsibility from DWP Executive Team to plan and make decisions on the interim delivery model for DWP. As Senior Responsible Officer I regularly reported to DWP Executive Team on activities, obtaining sign-off where appropriate. The Permanent Secretary consulted Ministers as necessary, securing their agreement to decisions that raised matters of public policy.
- 1.25. I formulated and directed the development and implementation of a three-stage plan to deliver services. Phase 1, Respond – cope with the surge of claims. Phase 2, Run – maintain services at these elevated volumes. Phase 3, Recover – restore our services to normal to help people get into work.
- 1.26. The 'Run' phase followed immediately after the 'Respond' phase as the Furlough scheme payments started to arrive in June 2020, the initial surge in Universal Credit claims started to subside, and the Department moved to focus on the labour market response. DWP's Executive Team judged that because the incident required longer term handling, the response needed to take the form of a programme response during which the delivery mechanisms of the organisation could be re-evaluated and decisions made.
- 1.27. In the 'Recover' phase, the Department came out of the 'Run' Phase and started to gradually return to business as usual (BAU) processes and/or adapt or adopt new COVID-19 ways of working into normal business practices. This was not an event or point in time, in effect some

parts of the Department were still in “Run” and some had moved into “Recover”. To reflect that challenge, the Implementation Planning and Delivery Executive was replaced by the Portfolio Management Executive (PME), I appointed Iain Wright to chair and Adrian Scott as the Director. **(NC/M9-2/09 - INQ000103120)**. This again had some delegated authority, and I remained the Senior Responsible Officer, reporting to DWP Executive Team.

- 1.28. It is my view that the Department’s overall response to the pandemic was one of the most remarkable public service delivery successes, not just because of the scale and speed, but because of the way it was executed. Alongside our colleagues in HMRC who achieved similarly extraordinary feats of public administration, redesigning their services and launching support schemes at pace, Universal Credit absorbed the initial shock waves of the millions of people whose economic lives faced disruption from the pandemic.

SECTION 2: OVERVIEW OF THE APPROACH TO POLICY DEVELOPMENT AND DELIVERY

- 2.1. The need to deliver benefit service in the urgent circumstances was paramount and meant that the development of policy during the pandemic was condensed. This is, in my view, an important point and one we made clear at the time to both policymakers within Government and those lobbying from outside. This does not mean we neglected the principles of good governance and the Department's Public Sector Equalities Duty (for example, see paragraphs 3.8 to 3.9.).
- 2.2. At the time, many of those lobbying Government did not immediately recognise that limiting policy change was a deliberate and necessary part of our response. Proposals that had been discussed prior to the pandemic such as a general uplift in benefit rates became objectives that some attempted to pursue during the crisis. **[For example, see NC/M9-2/10 INQ000657865, RE: Covid 19 Welfare Draft Paper [OFFICIAL], which is an email chain where I set out my concerns regarding policy changes to the Universal Credit system].** However, in the circumstances it was my view that there was little evidential basis for treating those proposals as essential components of the emergency response. For example, a general increase in benefit levels was difficult to justify when inflation was expected to remain low. Nonetheless lobbying efforts continued which is of course the role such groups play.
- 2.3. I advised Ministers and HMT colleagues that we could not allow ourselves to become distracted or drawn into a cycle of policy development that risked compromising the delivery of our core objectives, which were continuing to support those already in receipt of support while also meeting the needs of millions of new customers affected by the economic impact of the pandemic and the subsequent measures to limit its spread. My technical teams were focused on converting systems built around face-to-face engagement into ones that could operate fully remotely. That was where our time, capability and energy was needed.
- 2.4. Accordingly, we kept policy changes to an absolute minimum and where change was necessary, we ensured it aligned with the existing structure of the system. That meant on occasion, resisting and ultimately rejecting various proposals that in my opinion could compromise our operational capability particularly given the need to make decisions quickly and under extreme pressure.

- 2.5. The discussions around the Universal Credit uplift and the increase to the Local Housing Allowance to the 30% of local market rents are excellent examples of this approach in action. For example, once policy advice had been submitted to DWP Ministers, SOS indicated that she did not favour the LHA increase, but that was one of the Chancellor's preferred options. **(See NC/M9-2/11 - INQ000657867, – which is an email from James Wolfe date 18 March 2020 advising that the Secretary of State was not keen on the LHA option, NC/M9-2/12 - INQ000657870, which is an email chain dated 19 March 2020 which advises the Chancellor's preferences)**
- 2.6. My judgement and advice were that these two changes could be implemented swiftly within a few short weeks; would cause minimal disruption to the teams re-engineering our services; and would meet the needs of the people newly claiming Universal Credit, who were predominantly younger, single people. **(See NC/M9-2/13 - INQ000657868, which is an email dated 200318 conveying steers I agreed with Jane Cunliffe, Director of Strategic Finance,)**
- 2.7. Due to the extreme and unprecedented pressure demanding urgency, there was insufficient opportunity for prolonged deliberation. With nearly 35 years' experience of designing and delivering benefits in DWP, my strong advice to Ministers was that these interventions would work as intended, helping to lessen the impact of reduced earnings or unemployment, but it was Ministers who ultimately made the decisions.
- 2.8. Before the pandemic, DWP and HMT officials would talk regularly on issues of joint interest. For example, the then Deputy Director for Universal Credit would usually have a weekly catch up with colleagues in HMT and Number 10. During the height of the pandemic, she was speaking to counterparts in HMT and Number 10 almost daily to keep abreast of other relevant developments. These conversations also allowed DWP to update colleagues across Government. I received regular verbal updates on these discussions at least monthly; these were daily at the height of the pandemic.

ADVICE AND DECISIONS

- 2.9. In the early days of the pandemic, a lot of decisions were made very quickly, often through group phone calls (known as telekits) rather than face-to-face meetings, and without going through the usual, more detailed decision-making processes.

- 2.10. There were a lot of conversations going on and a lot of ideas being floated. Sometimes I might offer my thoughts or advice on a particular issue or decision to Peter Schofield, the Permanent Secretary, who would discuss it with the Secretary of State and informally obtain her steer. The formal decision-making process would then follow, informed by more detailed expert advice, recorded in emails, submissions and meeting readouts.
- 2.11. To give an example of how a major change was initially developed informally, one morning before the lockdown had been announced, I was on the train to London thinking about the current situation and it struck me that we should advise Ministers to close the Jobcentres to the public to protect customers and staff from infection.
- 2.12. I called JP Marks, DWP Director General for Work and Health Services, and outlined my rationale for this idea. He was concerned that closing the Jobcentres would:
- Remove vital support for many vulnerable people.
 - Shut down the labour market regime, risking a peak of unemployment that would be very difficult to reduce.
- 2.13. After some discussion we agreed that despite these concerns the safety of customers and staff necessitated the closure of Jobcentres to the public, although they would remain staffed for vulnerable customers with urgent needs. As I was walking from the station to the office, I met up with JP Marks in person and shortly afterwards we also bumped into Peter Schofield, DWP Permanent Secretary.
- 2.14. As we walked, we discussed with Peter the rationale for closing Jobcentres to the public. He agreed to talk to the Secretary of State for Work and Pensions.
- 2.15. The Secretary of State provisionally agreed with our advice, subject to receipt of detailed formal advice, and the process of developing this advice was handed over to our officials. **[See NC/M9-2/14 INQ000657861, which is an email dated 17 March 2020 from John-Paul Marks to Katie Farrington, confirming the Secretary of State's agreement to suspend face-to-face mandatory requirements but keep Jobcentre Plus offices open for vulnerable customers, subject to receipt of a detailed submission], [NC/M9-2/15 (DWP00470343), INQ000654453 which is that submission, titled 'COVID-19: SUSPENDING FACE TO FACE REQUIREMENTS', dated 17 March 2020], and [NC/M9-2/16 (DWP00470342) INQ000654452 which is the covering email, and NC/M9-2/17, INQ000657869, which is an email chain dated 19 March 2020 which includes the**

Secretary of State's agreement to proceed with the recommendations in the submission].

- 2.16. Consequently, from 24 March 2020 Jobcentres were closed to the public except for the most complex cases where help could only have been delivered face-to-face (within the Public Health England and Devolved Government guidelines on social distancing).
- 2.17. The pandemic engendered very good working relationships with other government departments. We worked closely with our counterparts in Her Majesty's Treasury (HMT), on the £20 Universal Credit uplift, with Her Majesty's Revenue and Customs (HMRC), the Department of Health and Social Care on Statutory Sick Pay measures, and with the Ministry of Housing and Local Government on a range of other pandemic measures, including the support for clinically vulnerable people. Where relevant to this statement, I have included details about these channels; for example, see paragraphs 1.29, 2.5, 3.3, 3.14 and 6.1 to 6.5.

SECTION 3: TEMPORARY EASEMENTS TO UNIVERSAL CREDIT PROCESSES

- 3.1. It is important to note that many of the tools and policies we changed to offer support to the public during the pandemic were not designed for the scale and nature of the crisis. Interventions like Statutory Sick Pay and Universal Credit were not designed to handle the widespread impact of COVID-19. However, we worked quickly, collaboratively and creatively to adapt them to deliver the necessary support.
- 3.2. In the case of Universal Credit, we had to take a system that used a lot of face-to-face engagement and turn it into one that could run remotely and deal with an unprecedented increase in volumes without failing. We introduced a significant number of both operational and policy changes in the first two months to adapt the system quickly. The steps that led to the development and delivery of the £20 Universal Credit uplift and the suspension of the Minimum Income Floor are detailed in paragraphs 3.3 – 3.9 and 3.34 to 3.37, respectively.
- 3.3. As the pandemic hit, there was an urgent need to provide financial support to assist those who had lost or were at risk of losing employment or significant income due to the newly introduced COVID-19 restrictions. Therefore, the design and decision-making process was streamlined to enable the Department to quickly respond with the urgency required. Throughout the pandemic, we were working at pace to deliver a range of wide-reaching measures in extremely short timescales. This meant the policy development stage was often compressed into days rather than the usual weeks or months.

£20 UNIVERSAL CREDIT UPLIFT

- 3.4. The idea of increasing welfare benefits for people affected by the pandemic first emerged in late February/early March 2020 in discussions between Ministers and officials at DWP and HMT. Due to the need to work at pace, discussions were often carried out through quick phone calls. Formal meeting notes were not necessarily kept; points raised, commissions, outcomes, etc. would often be confirmed in follow-up emails. I exhibit below a number of examples of such emails:
 - **[NC/M9-2/18, INQ000657858]** - email to HMT early options uplift etc 200228 (attachment is **[NC/M9-2/19 INQ000657857]** - Note COVID response options 200228)

- **[NC/M9-2/20 INQ000657859]** - email to HMT MIF 200304
- **[NC/M9-2/21 INQ000657864]** - HMT CX UC UPLIFT 200317
- **[NC/M9-2/22 INQ000657866]** - 200318 - an email chain that includes advice about the potential shock to the welfare system
- **[NC/M9-2/23 INQ000657871]** - NC email to HMT welfare package 200320

- 3.5. Before the 2020 Spring budget the Chancellor of the Exchequer had reached out to me personally through his officials, asking what I thought could be delivered and what I thought could be the best policy options. In turn, I discussed these questions with officials in DWP. The Chancellor's officials called me on the telephone in a meeting with the Chancellor whereby I communicated my views, verbally, to them, and they passed them to the Chancellor. It was not unusual for Treasury officials to call me informally for advice, or to discuss potential options. I did not take notes of these calls, and neither were readouts shared with me. **(See [NC/M9-2/24 INQ000657862] - email to HMT on Uplift 200317).**
- 3.6. On 3 March 2020, an email from the then Deputy Director for Employers and Fuller Working Lives in DWP's Employers, Health, and Inclusive Employment (EHIE) directorate commissioned officials to explore the feasibility of mid-year, temporary changes to benefits rates, including Universal Credit. [See **NC/M9-2/25 - INQ000653745, DWP00047843 which is the email chain containing details of the commission**].
- 3.7. The Secretary of State and DWP Ministers had asked whether help could be provided only to those directly affected by the pandemic (those that they had lost their jobs or seen their earnings fall considerably). However, within the Universal Credit IT system it was not possible to specially identify and create a new, discrete class of 'pandemic claimants'.
- 3.8. The Government's aim was to financially assist those who faced 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. In the early months of the pandemic, new benefit claimants were mostly claiming Universal Credit (which is now the only option for new working age claimants seeking means-tested social security assistance). A simple flat rate uplift of £20 for Universal Credit (and Working Tax Credit) recipients was identified as the most appropriate measure. There was some discussion about whether it would make sense to pay different amounts to different demographic groups of claimants, but in the end, it was decided that a flat rate was the simplest and most effective option.

- 3.9. The Universal Credit IT System could not differentiate between those who claimed because of the effects of the pandemic and those claiming for other reasons, so the uplift was applied to every recipient of Universal Credit. The “agile nature of Universal Credit” meant that a universal uplift could be introduced very quickly, but for a more targeted approach we understood that we would have needed to invent and code a new version of the Universal Credit IT system, which was just not practical given the cost and urgency required. The decision to apply a flat rate (instead of targeting specific groups of claimants) was justified as the non-targeted approach avoided the complications and costs associated with assessing individual needs for tailored support. Claimants did not have to apply for the uplift, as the Universal Credit system automatically generated payments. This meant that this measure was still not quite as targeted as Ministers would have liked, and existing Universal Credit claimants received an unavoidable windfall.
- 3.10. The decision to uplift Universal Credit aimed to achieve three fiscal and social policy objectives:
- Financially assist those likely to face the most significant financial disruption due to the pandemic, for example, those who had lost or were at risk of losing employment or significant income and who as a result were making new claims for social security benefits for the first time having previously been financially self-sufficient.
 - Provide this financial assistance rapidly without risking the stability of the social security system or delays. As the Universal Credit system was designed to be able to adapt rapidly to changes, unlike legacy benefit systems, the Universal Credit uplift supported this objective.
 - Provide a clear and easy to understand policy that would send a reassuring message to the public that the Government would invest significantly to protect the stability of the economy.
- 3.11. As it was a flat rate paid to all types of claimants, regardless of their circumstances, the Universal Credit uplift offered proportionately less financial support for families and those with additional needs. A sum of £20 is worth significantly more to a single claimant with no children or housing costs, compared with a family with children. We considered this when advising the Secretary of State and DWP Ministers on the measure. **[Please see NC/M9-2/26 - INQ000657882, which is an Equality Analysis for The Social Security (Coronavirus) (Further Measures) Amendment Regulations 2020], [NC/M9-2/27 - INQ000592915, (DWP00000914) which is a submission for the Social Security (Coronavirus) (Further Measures) Regulation 2020] and [NC/M9-2/28- INQ000592916,**

(DWP00059540) which is an Equality Analysis for The Social Security (Coronavirus) (Further Measures) Regulations 2020].

3.12. The Equality Analysis for The Social Security (Coronavirus) (Further Measures) Regulations 2020 and The Social Security (Coronavirus (Further Measures) Amendment Regulations 2020 documented the analysis undertaken by the Department to enable Secretary of State and DWP Ministers to fulfil the requirements placed on them by the Public Sector Equality Duty when considering approval of the Policy. The aim of these further regulations was to provide additional temporary support to people affected by the COVID-19 public health emergency, which included increasing the Universal Credit Standard Allowances by £20 per week. This analysis concluded that:

- The £20 flat rate increase across all Universal Credit standard allowance rates meant that those over 25, whether single or part of a couple, would benefit proportionately less than a single person under 25.
- The £20 flat rate increase in the Universal Credit Standard Allowance would benefit couples proportionally less than single claimants, as the rate applied to awards, rather than individual claimants.
- The increase was not a targeted increase delivered only where it was needed but was a flat rate amount that intended to help support the economy (as well as households), considering what could be delivered in urgent timescales.
- The Family Test was also considered in the Equality Impact Assessment for the Social Security (Coronavirus) (Further Measures) Regulations 2020, and it was the Department's assessment that the measures provided through the regulations were intended to support over and above that which would normally have been available to help all working age households during the COVID-19 emergency and that the extra support would only have a positive impact on families.
- The Department concluded that no benefit recipient with a protected characteristic would be adversely affected by any of the proposed legislative changes, including the £20 uplift, because there were no adverse or disproportionate negative impacts.
- Insofar as some groups with protected characteristics may benefit to a lesser extent from these changes than other groups, the Department considered any differential impact to be justified due to the aims of the measures.

3.13. From April 2020 the Social Security (Coronavirus) (Further Measures) Regulation 2020 and the Social Security (Coronavirus (Further Measures) Amendment Regulations 2020 were

introduced to temporarily increase Universal Credit and Working Tax Credits for 12 months in line with 2020/2021 tax year. This meant that for a single Universal Credit claimant (aged 25 or over), the standard allowance increased from £317.82 to £409.89 per month.

- 3.14. The uplift to Universal Credit and the equivalent to Working Tax Credit cost a total of £6 billion in the initial 12 months. The Universal Credit uplift was extended at Spring Budget 2021 for a further six months (to 6 October 2021), bringing the total cost to £8.2 billion, benefiting around 4 million households. HM Treasury provided additional funding to DWP for the £20 uplift.
- 3.15. As I understand it the Department was not able to assess the value for money case robustly because there was no counterfactual against which to estimate the impacts of the £20 uplift. The uplift was introduced during the pandemic and removed as the impacts of the pandemic were unwinding so it wasn't possible to isolate the impact of the uplift by comparing this time period to those directly before or after either.
- 3.16. The Inquiry has asked me to reflect on whether I believe the uplift was needed and whilst, as previously noted in para 1.7, the responsibility for this policy decision lies with the Ministers, I do feel that the uplift was required, particularly considering the benefit rate freezes between 2014 and 2017. Whilst some may suggest the uplift should have been more targeted, I think universality, as described in paragraphs 3.9 and 3.10, was key, ensuring delivery was effective and efficient at a time of crisis. This approach also meant young people who were most likely to lose their jobs during the pandemic, saw a bigger proportionate uplift. Setting the uplift at £20 was appropriate as it created a clear parallel with the rate of Statutory Sick Pay (SSP), ensuring consistency in the available support.

EXTENDING THE £20 UNIVERSAL CREDIT UPLIFT

- 3.17. Throughout the pandemic, we were working at pace to deliver a range of wide-reaching measures in extremely short timescales. This meant we frequently did not have time for detailed consultation with stakeholders during the policy development stage, which was often compressed into days rather than the usual weeks or months. However, the process (set out below) that led to the decision to extend the £20 demonstrates how, when we could, we did take account of information from government bodies and the views of non-governmental stakeholders. As detailed below, the decision to extend the uplift by 6 months emerged from

discussions at a series of meetings between the Secretary of State for Work and Pensions, the Prime Minister and the Chancellor.

- 3.18. On 9 October 2020, the Work and Pensions Committee published a report 'Universal Credit: the wait for a first payment'. The report echoed calls by the Joseph Rowntree Foundation to maintain the uplift beyond the initial 12-month period.
- 3.19. On the same day, the Secretary of State for Work and Pensions wrote to the Prime Minister confirming that DWP officials had been asked to explore *“a range of Annually Managed Expenditure (AME) options, including maintaining the current £20 uplift, to allow us to understand which measures would be most effective at lifting people out of poverty”* and indicating that her preferred option was to permanently uplift both the Universal Credit standard allowance and child element by £10 each. The Prime Minister commissioned officials to work up further detail on these options. **[See NC/M9-2/29 - INQ000653841, (DWP00515378), which is a letter dated 9 October 2020, from the Secretary of State to the Prime Minister setting out her plans for tackling poverty], [NC/M9-2/30 (INQ000657884) which is the covering email chain] and other the associated documents, [NC/M9-2/31 (INQ000657887) which is a submission to the Secretary of State titled “The future of the £20 Uplift and WTC, and other Poverty Options”], [NC/M9-2/32 (INQ000657886) which is a table outlining different options to tackle poverty] and [NC/M9-2/33 (INQ000657885) which is an e-mail chain demonstrating the clearance process by departmental stakeholders to finalise the letter].**
- 3.20. A bilateral meeting between the Secretary of State and Prime Minister on 9 November 2020 included discussion of the recommendations in the Secretary of State's letter of 9 October. The Secretary of State restated her preferred option to permanently uplift both the Universal Credit standard allowance and child element by £10, but this was rejected by the Prime Minister.' **[See NC/M9-2/34 - INQ000592917, (DWP00357016) which is a readout from the DWP Secretary of State and the Prime Minister bilateral meeting on 09 November 2020].**
- 3.21. Following this bilateral meeting, trilateral evidence sharing session between the Prime Minister, Secretary of State for Work and Pensions, and Chancellor was scheduled for 15 January 2021. To support the meeting a paper was commissioned by Number 10 to look at “Policy options to support individuals in poverty. Increasing Incomes and Reducing Cost of Living”. The paper contains analysis on extensions to the £20 uplift and other alternatives to target support on child poverty or in-work poverty. **[See NC/M9-2/35 - INQ000653778,**

(DWP00368294) paper, commissioned by No. 10 for options to support individuals in poverty].

- 3.22. The following options were discussed at the trilateral meeting on 15 January 2021:
- UC Standard Allowance £20 Increase - Permanent
 - UC Standard Allowance £20 Increase 1 year 21/22
 - UC & WITC Standard Allowance £20 Increase 1 year 21/22
 - UC & WTC Standard Allowance £20 Increase Permanent (21/22 onwards) and £20 increase in Legacy (22/23 onwards)
 - £20 UC Child Element (Permanent)
 - Reduction of UC Taper Rate to 55%
 - Increase Existing Work Allowances by £140pcm
- 3.23. HMT and DWP officials were commissioned to collaborate and develop 'fully worked options.'. **[See NC/M9-2/36 - INQ000653780, (DWP00374343) which is a letter from the private office of the Secretary of State following the trilateral regarding delivering a one-off payment] and [see NC/M9-2/37 - INQ000653779, (DWP00371002) which is a note of action points following the trilateral].**
- 3.24. One of the options considered was a one-off payment to Universal Credit claimants, but this would have been administratively complex to deliver with a long lead time to issue (12-14 weeks) and would have been complicated by a number of factors:
- With payments made on the basis of a cut-off date for Tax Credits and a cut-off window for Universal Credit, a one-off payment would have required a combination of modification to the Universal Credit system and the use of a relatively untried new system which was not designed for this purpose. Furthermore, there were concerns that any delays in the delivery of a one-off payment could discourage claimants from starting work and moving off Universal Credit before the payment was received.
 - The wider operating environment and availability of staff resource in which a one-off payment would be delivered had to be considered too. We anticipated that the ending of the £20 uplift would generate many enquiries from a significant proportion of the 6 million Universal Credit claimants, peaking between mid-April to mid-May as monthly awards were received.
 - The ending of schemes such as 'Furlough' was also likely to generate a renewed surge in Universal Credit claims and DWP was already using what spare capacity it had to support the delivery of Kickstart.

- 3.25. On 9 February 2021, the Work and Pensions Committee published its report on the temporary increase in Universal Credit and Working Tax Credit. The Committee had heard evidence from several external stakeholders at oral sessions, including representatives from Citizens Advice, Rethink Mental Illness, StepChange, Centre for Policy Studies, and the Joseph Rowntree Foundation.
- 3.26. The report recommended that the uplift should be maintained and recommended at the very least that it be extended by 12 months. This mirrored the conclusion of a Joseph Rowntree Foundation report published on 2 February 2021, which argued that extending the uplift for the next financial year “would provide certainty for families and policymakers and support the economy through another very difficult year”.
- 3.27. On 11 March 2021, the submission to make and lay the relevant legislation to extend the Universal Credit uplift by 6 months was signed by the Minister for Welfare Delivery on behalf of the Secretary of State. **(See [NC/M9-2/38 INQ000657888] - URGENT - approval to make and lay UC (Extension of Coronavirus Measures) Regulations 2021).**

REMOVING THE £20 UNIVERSAL CREDIT UPLIFT

- 3.28. The uplift was brought in alongside other temporary measures to support people during the pandemic; therefore, it was phased out in line with these other measures from late September/October 2021. As per The Universal Credit (Extension of Coronavirus Measures) Regulations 2021, the £20 uplift was withdrawn from assessment periods ending after 6 October 2021.
- 3.29. In July 2021, in preparation for the end of the uplift, claimants’ Universal Credit statements were updated to indicate within their award calculation that they had been receiving the additional uplift. A Journal message was also sent to all claimants, alongside lines to take being provided to front-line staff.
- 3.30. 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 extend the uplift. **[see NC/M9-2/39 - INQ000592925, (DWP00355401) which is modelling of the distributional impacts of removing the uplift].**

- 3.31. I have no record confirming any formal consultation was conducted with stakeholders on the cessation of the Universal Credit uplift. However, I and the Department were aware of the significant amount of public lobbying from stakeholders on the uplift's removal. For example:
- In September 2020, The Joseph Rowntree Foundation (JRF) coordinated an open letter signed by a number of charities, campaigning organisations, and religious figures. calling on the Chancellor to “keep the lifeline”, The JRF argued that if the uplift were to be removed in April 2021, “around half a million more people, including 200,000 children, will be pulled into poverty”.
 - On 20 July 2021, chairs of the Work and Pensions Committee in the House of Commons, the Scottish Parliament’s Social Security and Social Justice 75 Committee, the Northern Ireland Assembly’s Communities Committee, and the Welsh Parliament/Senedd’s Equality and Social Justice Committee wrote to the Chancellor and the Secretary of State for Work and Pensions, asking them to “consider making this uplift permanent and extending it to legacy benefits”.
 - Throughout the summer of 2021, various welfare rights organisations and think tanks campaigned to keep the uplift beyond October 2021. For example, the Joseph Rowntree Foundation resumed its ‘keep the lifeline’ campaign, in collaboration with a number of other organisations, advocating for making the uplift permanent, and arguing that withdrawing it would cause serious financial hardship
 - The Joseph Rowntree Foundation also wrote to the Prime Minister on 2 September with 100 organisations – such as welfare, disability, and mental health charities, as well as housing bodies, think tanks and campaign groups – to urge the Government not to go ahead with the planned withdrawal of the uplift at the beginning of October 2021.
- 3.32. The Inquiry have asked for my view on whether the uplift to Universal Credit and WTC was removed at the right time. I had favoured keeping the uplift in place permanently, but this was ultimately not Government policy. **[See NC/M9-2/40 - INQ000657899, minutes from the Universal Credit Programme Board meeting in October 2020]**. In response to a request for my opinion on possible challenges to removing the Uplift, I wrote to colleagues at Number 10 outlining what I considered to be some of the administrative risks of ending the Universal Credit Uplift. **[See NC/M9-2/41 - INQ000592921, (DWP00409017)]**. It was also recognised by officials within the Department that the Uplift could incentivise claimants transferring from Legacy Benefits to Universal Credit to access the additional funds.

However, I do not believe that this was the main consideration in either the formation, extension or end of the Uplift.

- 3.33. When the uplift ended, the Department focused on supporting people back into work. The Plan for Jobs schemes helped claimants learn new skills and increase their hours or find new work.
- 3.34. On advice from me, the Chancellor and the Secretary of State approved a cut to the taper rate of Universal Credit from 63p to 55p, and the Universal Credit work allowances were increased by £500 p.a. to support low income working households. Both measures were implemented from 24 November 2021. For practically everyone on Universal Credit in work, these changes had the effect of restoring the £20 uplift, and so supported the overall labour market strategy, as well as incentivising work further for those on Universal Credit not in work. **See NC/M9-2/42 [INQ000657899] (DWP00723500) minutes from the Universal Credit Programme Board meeting in October 2020].**

THE BENEFIT CAP

- 3.35. 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.
- 3.36. A 9-month grace period (temporary exemption) to the benefit cap applies to new claims where there is a history of sustained work. This meant that the benefit cap did not significantly impact the people who the uplift was primarily intended to support. While I can acknowledge that the benefit cap limited the effectiveness of the uplift for a small proportion of claimants, changes to the cap would not have been aligned with the uplift's primary objectives.

LEGACY BENEFITS

- 3.37. As previously stated in paragraph 3.4, in late February and early March 2020 there was a lot of discussion between HMT and DWP at both Ministerial and official level on what measures could be introduced to support people impacted by the Pandemic, this included exploring

which benefits could or should be uprated, by how much, for how long, and how quickly any such changes could be delivered.

- 3.38. Although the immediate policy intention was to focus support on those directly affected by the loss of their employment due to the pandemic, the possibility of uplifting legacy benefits was explored – even though most new claims were likely to be for Universal Credit. Unfortunately, due to the age of the legacy benefits systems, it was not possible to implement an uplift to legacy benefits at short notice. **[Please see NC/M9-2/43 - INQ000653745, (DWP00047843) which is an email chain dated 3 March 2020 outlining some of the practical issues with increasing legacy benefits], [NC/M9-2/44 - INQ000657863, which is an email chain dated 17 March 2020 showing discussions between HMT and DWP about the feasibility of uprating legacy benefits to match the Universal Credit £20 uplift], [NC/M9-2/45 - INQ000592915 (DWP00000914), which is a submission to the Secretary of State for Work and Pensions requesting permission to make and lay The Social Security (Coronavirus) (Further Measures) Regulations 2020 (paragraphs 22-27 set out the practical reasons for not increasing legacy benefits)], [NC/M9-2/46 - INQ000657872, which is the covering email] and the associated documents [NC/M9-2/47 - INQ000657873 - Annex A Covid no 2 reg 25-3-20.doc], [NC/M9-2/48 INQ000657874 - Annex B EM Coronavirus Further measure regs.docx], [NC/M9-2/49 INQ000657880 - Annex C EA for Coronavirus further measures regs.doc], [NC/M9-2/50 INQ000657875 - Annex D EA LHA 30th percentile increase.doc], [NC/M9-2/51 INQ000657876 - Annex E SSAC letter - CV Further Measure regs.docx], [NC/M9-2/52 INQ000657877 - Annex F Draft Social Security (Coronavirus) (Further Measures) Regulations (NI) 2020.DOC], [NC/M9-2/53 INQ000657878 - Annex G NI Draft EM CV REGS.DOCX], and [NC/M9-2/54 - INQ000657879 - Annex H NI Covid no. 2 Regs EA.docx].**
- 3.39. Updating rates for legacy benefit in the IT system requires programming several months in advance. This lack of flexibility in the legacy benefit system meant that it could not adapt quickly to the rapidly evolving circumstances during the pandemic. This was not the case for the modern Universal Credit system which allows for much faster changes. Now that the migration of income based legacy benefit claimants to Universal Credit is complete, the Department is better placed to deliver benefit increases in any future crisis. This in my view, demonstrates the value of public investment in modern IT systems.
- 3.40. The rationale for introducing a temporary increase to Universal Credit and Working Tax Credits as opposed to other benefits was that the people most significantly experiencing financial disruption caused by the pandemic were those newly unemployed or experiencing

reduced incomes and therefore new to the benefits system. During the pandemic, new benefit claimants were mostly claiming Universal Credit (which is now the only option for new working age claimants seeking means-tested social security assistance).

- 3.41. An increase in legacy benefits would not have achieved the policy objective of providing financial support to those claiming social security benefits for the first time, nor was it operationally practicable to deliver an increase in legacy benefits within a meaningful timescale through the existing legacy IT systems. The legacy systems did not have the capability to uplift benefits mid-year without a significant risk of system failure that DWP deemed too high to proceed with. Whilst it was not possible to implement an uplift in the legacy systems outside of the annual cycles of uprating those benefits, legacy benefit claimants were able to make a claim for Universal Credit if they believed that they would be better off.
- 3.42. It is important to note that although a temporary increase was not applied to legacy benefits, the Government introduced a comprehensive package of measures to protect incomes and jobs during the pandemic. The Universal Credit uplift was just one part of this package of support.
- 3.43. The legality of the decision not to uprate legacy benefits was challenged by way of judicial review. Both the High Court and Court of Appeal found that the decision was reasonable and justified.
- 3.44. In *R. (on the application of T) v Secretary of State for Work and Pensions* [2022] EWHC 351 (Admin) the Government was challenged by way of judicial review (heard in November 2021) on its decision not to extend the uplift to legacy benefit claimants. The claimants, who were in receipt of legacy benefits, raised two discrimination claims, both of which were dismissed in February 2022 by the High Court. The Court of Appeal dismissed the claimants' subsequent appeal.

SUSPENDING THE MINIMUM INCOME FLOOR

- 3.45. For gainfully self-employed Universal Credit claimants, the Minimum Income Floor (an assumed level of income) was suspended. For DWP purposes, being 'gainfully self-employed means that an individual's self-employed work is:
 - their main job or main source of income.

- organised, for example they keep records of their business activities.
- developed, for example they have a business plan or are advertising the work they do.
- regular, for example they have steady work now and in future.
- expected to make a profit.

3.46. This change made Universal Credit payments for these claimants more responsive to a drop in self-employed income because of the pandemic.

3.47. The Minimum Income Floor was effectively disapplied for self-employed claimants during the Coronavirus outbreak. The result of not applying the Minimum Income Floor was that Universal Credit for the self-employed was based on their actual earnings. Self-employed individuals are eligible for Universal Credit but, to promote self-sufficiency among the self-employed and prevent the long-term subsidy of unprofitable businesses, a 'minimum income floor' is applied to certain self-employed claimants, which represents the amount the self-employed claimant could be expected to earn in employment for the required number of hours paid at the national minimum wage. The work allowance and the taper are applied to the higher of the actual claimant's earnings or their Minimum Income Floor and the resulting amount is deducted from the maximum Universal Credit amount.

3.48. My view was that suspending the Minimum Income Floor was the right thing to do. It could be implemented quickly by updating DWP's guidance so that Jobcentre Plus decision makers treated any self-employed Universal Credit claimants who were self-isolating as 'not gainfully self-employed'. This would mean that the Minimum Income Floor wouldn't apply to their claims. **(see NC/M9-2/55 - INQ000657860, which is an email chain dated 6 March 2020 that includes confirmation of my steer on the Minimum Income Floor).**

REINTRODUCING THE MINIMUM INCOME FLOOR

3.49. As was the case for the £20 Universal Credit uplift, the Minimum Income Floor suspension was brought in alongside other temporary measures to support people during the pandemic and was phased out in line with these other measures. The Minimum Income Floor was reintroduced on 31 July 2021, when the regulations that suspended it expired.

3.50. I was aware that a significant amount of fraud and error could be attributed to the suspension of the Minimum Income Floor, and I was in favour of its reinstatement from August 2021. .

(see NC/M9-2/56 - INQ000657896, an email dated 28 April 2021 to the Secretary of State, which outlines our concerns).

3.51. A lot of thought and planning went into the decision to reintroduce the Minimum Income Floor. I was kept informed of the progress of this work but didn't feed in directly, although I was kept sighted on the work and had some involvement in the clearance of submissions. This is illustrated by the following set of exhibits, which is a series of submissions, Ministers' responses and revised submissions:

- **NC/M9-2/57 - INQ000657890, which is a submission dated 6 April 2021 to the Secretary for State for Work and Pensions, setting out options for the reintroduction of Gainful Self-Employment tests and the Minimum Income Floor, NC/M9-2/58 - INQ000657889, which is the covering email**
- **NC/M9-2/59 - INQ000657892 which is a revised submission dated 24 April 2021, NC/M9-2/60 - INQ000657891, which is the covering email**
- **NC/M9-2/61 - INQ000657894 which is a further revised submission dated 24 April 2021**
- **NC/M9-2/62 - INQ000657893 which is an email dated 27 April 2021 with then Minister for Employment Mims Davies's comments on the revised submission**
- **NC/M9-2/63 - INQ000657895, which is an email dated 28 April 2021 setting out the Secretary for State for Work and Pensions' steer in response to that submission,**
- **NC/M9-2/64 - INQ000657898, which is a follow up submission dated 7 May 2021 about reintroduction of Gainful Self-Employment (GSE) tests and the Minimum Income Floor, NC/M9-2/65 - INQ000657897, which is the covering email).**

3.52. However, to ensure claimants had time to prepare, they were given a month's notice that the Minimum Income Floor was to be applied. None of these individuals would have seen a decrease in their Universal Credit award linked to the Minimum Income Floor before September 2021. As an additional safety net for those whose businesses continued to be heavily impacted by COVID-19 restrictions, Jobcentre Plus Work Coaches were able to provide an additional suspension of the Minimum Income Floor for up to two months at a time on a case-by-case basis, for a maximum of three suspensions, adding up to six months in total.

FRAUD AND ERROR

- 3.53. The Department made the decision to prioritise being able to process claims quickly given then surge in volumes. A number of changes (temporary easements) were made to make this happen and it was understood that this approach would lead to an increase in fraud and error. This risk was accepted and balanced against the real need to provide urgent vital financial support to vulnerable individuals and families during a time when other financial support, such as Furlough, was not yet available. As noted in paragraph 3.9 the Uplift applied to every recipient of Universal Credit.
- 3.54. Within Universal Credit, 'Trust and Protect' was introduced to allow claimants to provide evidence, such as identification, online and did not require them to attend a Jobcentre, this was to ensure vulnerable claimants did not suffer financially during the pandemic. However, this increased the levels of fraud, debt, and error. An important control measure we introduced in Universal Credit to mitigate and reduce fraud levels was to review cases that may have misused the 'Trust and Protect' policy. Enhanced review teams respectively verified ID via video appointments. These appointments ensured that ID submitted at the time of making a Universal Credit claim matched with the person.
- 3.55. The susceptibility of temporary measures introduced during the pandemic to fraud and error was considered by me and the senior leadership team within Universal Credit and the potential impacts were monitored so that the actual outcomes could be considered against the potential outcomes. Easements were thought through carefully with a view to managing the risks associated with easing some security measures to keep benefits flowing.
- 3.56. Information on the specific easements and temporary measures introduced would have the potential to expose the Department to fraud and were, therefore, not communicated widely to the public to help minimise the level of fraud. DWP made assessments of the Fraud risk, communicated that widely within Government, and kept full records of all our modifications so that the Department had the option to revert or adapt COVID-19 measures when the emergency had passed. The Department also tagged every case that was awarded benefits under the easements so it could go back and review entitlement after the crisis had passed.
- 3.57. As soon as possible after the easements were lifted, measures were introduced to revisit cases where easements had been applied, where lower levels of verification were previously in place. The verifications that would have been applied, but for the easements, were then applied to those revisited cases. This process was known as Retroaction. The Integrated

Risk & Intelligence Service (IRIS) was used to identify the riskiest cases. Payments which were inconsistent with entitlement were found in approximately 12% of cases. The Annual Managed Expenditure savings were approximately £500 million.

- 3.58. In 2022, Targeted Case Reviews were established to help reduce the levels of fraud and error that entered the Universal Credit system at the height of the Coronavirus pandemic. By reviewing the entitlements of Universal Credit claims that were at risk of being incorrect, agents were proactively addressing incorrectness, to ensure customers received the right payments and avoided falling into or accumulating further debt.

COMMUNICATION

- 3.59. I recognise that the communication of the temporary nature of the uplift could have been managed better, particularly at the beginning of the pandemic. However, the need to urgently implement the uplift to provide support when people most needed it led to the decision that communications should be completed after the uplift was put in place. Universal Credit statements were later updated and messages issued via Journals to highlight the uplift. I acknowledge that claimants did not initially receive communications regarding details of the uplift. However, as the UC uplift was paid automatically, claimants were not affected adversely.
- 3.60. A surge in new Universal Credit claims around the time that the uplift was implemented, in April 2020, meant that claimants who were claiming Universal Credit for the first time may not have been aware that their standard allowance calculation contained the uplift. This concern was raised and considered within a 22 June 2021 submission that outlined the proposed communications strategy to claimants for the end of the uplift. **[NC/M9-2/66 - INQ000592920, (DWP-HC-00001005) which is a submission with a plan to communicate the end of the Universal Credit Uplift].**
- 3.61. To minimise the anticipated increase in claimant, contact that was likely to arise, the communications strategy consisted of a three-layered plan to inform claimants of the end of the uplift. This consisted of changes to the Universal Credit statement, journal message and lines to take for frontline staff. This strategy aimed to clearly communicate the change to claimants in a timely manner and reduce claimant contact regarding the change in payment amount.

MONITORING AND EVALUATION

- 3.62. It became important to have standardised information packs produced by key teams, so that everyone was looking at the same data and able to prioritise based on that information. DWP's Operational Analysis and Performance Insight Division (OAPI) worked to standardise reporting through the production of weekly performance reports, which ensured that Ministers, the Executive Team and others had timely, consistent strategic-level information. In addition, individual product lines (e.g. the Universal Credit programme) led on their own decision-making and data reporting.
- 3.63. The Department did not identify formal 'success measures' for the 'Uplift'. This was in part due to the pace and urgency of the decisions made and the lack of historical evidence/data to draw upon. I do not believe the Department conducted an analysis on the impact of the uplift on the intended beneficiary group (those claiming social security benefits) for the first time. As previously noted, the 'Uplift' was payable to all Universal Credit claimants as such pre-existing metrics were available to monitor successfully delivery of the policy but not the economic impact. DWP's Annual Report and Accounts states that payment timeliness for new claims remained high during the 2020–21 period, at around 87% being paid in full and on time.
- 3.64. DWP used modelling and other statistical analysis methods across a number of its policy responses to the pandemic. For example, when the Universal Credit team was advising Ministers on whether the Universal Credit Uplift should be retained or withdrawn, analysts modelled the poverty impacts of the uplift ending.
- 3.65. DWP's Income, Families, and Disadvantage Analysis team led on monitoring and evaluation of the uplift. The team analysed the impact of the uplift in conjunction with the other welfare changes introduced in response to the pandemic, namely increasing Local Housing Allowances (LHA) to the 30th percentile, suspending the Minimum Income Floor and removing the deductions for debt repayments. This included the distributional and poverty impacts of the policies. **[see NC/M9-2/67 - INQ000592922, (DWP00163210) which is analysis of the impact of welfare policies in response to COVID-19]**
- 3.66. In November 2020, the team's monitoring included using July 2020 Universal Credit data to model a distributional analysis of removing the £20 uplift. This analysis estimated those most likely to move into very low income if the uplift was removed based on family type, region, housing type, employment status, and disability status. **[see NC/M9-2/68 - INQ000592922,**

(DWP00163210) which is analysis of the impact of welfare policies in response to COVID-19].

- 3.67. In January 2021, the Income Families and Disadvantage Analysis (IFDA) looked at short-term indicators of poverty. The paper included an analysis of the uplift's removal which showed that the percentage of Universal Credit claims with very low income declined during the uplift, but rose following the uplift being removed, before showing signs of stabilising. **[NC/M9-2/69 - INQ000592923, DWP00455463 which is the poverty monitoring dashboard].**
- 3.68. The Department also took account of external bodies' analysis of the measures we implemented. For example, the Institute for Fiscal Studies (IFS) estimated that the Universal Credit uplift reduced absolute poverty rates by 0.3 percentage points during the six months it was in place in 2021/22, or by 0.6 percentage points in annualised terms, affecting 379,000 people, but found that, while the uplift had a significant impact on poverty, it was costly at £6 billion per year and the flat-rate payment did not proportionally benefit households of different sizes.

SECTION 4: INEQUALITIES AND VULNERABLE GROUPS

- 4.1. In the first few weeks of the pandemic, the welfare system was under unprecedented strain, and it was of vital importance that it could stand up to these pressures to support our most vulnerable, otherwise the consequences would have been disastrous. I was of the strong opinion, and advised DWP Ministers and Senior Government officials in HMT and Cabinet Office, that the beginning of the pandemic was not the time to introduce new policy changes, which could risk a system-wide failure at a time of crisis. I recognised that due to the automation and simplicity in the Universal Credit system, staff from across DWP, and potentially the wider civil service, could be retrained in 2-3 days to fill gaps and meet demand. It was my number one priority to keep the system afloat, as if this were to fail, we would have been exceptionally limited in what support we could provide at all. **[See NC/M9-2/70 (DWP00470904) INQ000657865 which is an email chain where I set out my concerns regarding policy changes to the Universal Credit system and suggest prioritising re-training staff].**

- 4.2. As Director General, I am given sight on proposals submitted to Ministers and regularly provide steers to officials to ensure that the key messages are clear. On 18 March, the Universal Credit and Employment Policy team drafted a submission to the Secretary of State for Work and Pensions, outlining the suggested areas where the Department could take action to support low income and vulnerable groups [see **NC/M9-2/71 (DWP00470968)**, **INQ000655653** which is the submission reference above]. I was in agreement with the overall content of the submission but felt that introduction did not stress enough the importance of constraining new policy changes at a time when we were expecting both increased demand and reduced staffing. The wording was tweaked to make clear to Ministers that any action taken needed to be deliverable and that the Department was not in a position to accommodate multiple policy changes. [see **NC/M9-2/72 (DWP00470979)**, **INQ000655654** which is the e-mail chain which outlines my feedback and the revised draft in response to my feedback].
- 4.3. The more automated nature of Universal Credit systems, in comparison to legacy benefits, enabled it to adapt quickly, as demonstrated by the introduction of the £20 uplift to Universal Credit, and the success in processing the surge in new claims, which at times, ran to hundreds of thousands in a single day. This is a remarkable achievement and highlights the ability of the Universal Credit systems to stand up to pressure and protect the most vulnerable in our community in times of crisis.
- 4.4. Changes to DWP policy were under regular review during the pandemic and Equality Analyses were completed in respect of measures the Department developed and implemented. An example and explanation of this in relation to the £20 Uplift to Universal Credit can be found in **Paras 2.13**, and **2.14**.
- 4.5. As noted in Section 2, the Universal Credit uplift was just one part of a comprehensive package of support. Other measures included:
- Changes made to Employment and Support Allowance (ESA) which meant claimants were automatically assessed as having 'limited capability for work'.
 - Increases to Local Housing Allowance (LHA) rates, which could particularly benefit disabled claimants facing housing costs shortfalls.
 - The COVID Winter Grant Scheme (1 December 2020 to 16 April 2021) and COVID Local Support Grant (21 June to 30 September 2021) were both introduced by the Government as cost-of-living payments during the pandemic to support vulnerable households.

- The Household Support Fund (HSF) (originally funded to run from 6 October 2021 to 31 March 2022 but subsequently extended and currently due to run until March 2026) is funded by DWP and delivered by Local Authorities. The Household Support Fund allows Local Authorities to offer crisis support to vulnerable households in most need with the cost of essentials.

4.6. The uplift was implemented within days of the first national lockdown on 26 March 2020. Furthermore, due to the Universal Credit system being updated for assessment periods on or before 6 April 2020 instead of on or after, the uplift was implemented up to a month sooner than anticipated for some claimants, helping with the economic shock caused by the pandemic. The continued migration of legacy benefit claimants to the Universal Credit system will support the timely delivery of benefit increases in any comparable future crisis, which would not have been practical with the legacy benefit system.

SECTION 5: DATA AND MODELLING

- 5.1. Data sources utilised by the Department in the early stages of the pandemic included the Scientific Advisory Group for Emergencies (SAGE) forecasts, qualitative data from front line staff and management information to understand the scale of the issues being faced. Universal Credit data was used to understand the characteristics of claimants (e.g. age, location) and were matched to other information, such as HMRC and Department for Education data, to get a better understanding of labour market and education histories. The data was supplemented with information from the Labour Force Survey.
- 5.2. Administrative data sources such as from HMRC on PAYE, the Coronavirus Job Retention Scheme (CJRS) and The Self-Employment Income Support Scheme (SEISS) numbers, as well as online vacancy figures, were analysed. Data was drawn from new surveys, for example The Coronavirus (COVID-19) Infection Survey (CIS) and DHSC surveys of those shielding.
- 5.3. DWP made use of new sources produced by the Office for National Statistics, including the COVID-19 Infection Survey and COVID-related questions added to Office for National Statistics Opinions and Lifestyles Survey (OPN). DWP also made use of regular monitoring of Google search data, Citizens Advice Statistics, GP appointment statistics and NHS waiting lists.
- 5.4. Existing data sources played a large role in this period due to a combination of their availability and the Department's understanding of them. As the environment moved from 'steady state' to one of rapid change, data timeliness became a more important issue. This meant a shift to daily monitoring of data where possible, tracking of staff availability, and collecting new internal Management Information data, such as data on whether new Employment and Support Allowance claims were due to COVID-19.
- 5.5. In my view, the UK Government, and particularly DWP, made adequate use of data, economic modelling and other scenario analysis in its economic response to the pandemic.

Challenges and gaps

- 5.6. The pandemic presented a unique set of challenges which meant that decisions – both personally and department-wide – needed to be made at pace with the best possible data available at any given time.
- 5.7. An example might help illustrate how the Department dealt with this question. A significant number of non-frontline staff had been deployed to support with processing the surge in Universal Credit claims. However, the Department did not have data available to assess whether this action was meeting the increased demand effectively. The data science team were able to produce data set showing how many members of staff had logged on to the Universal Credit system each day and how experienced they were (i.e. were they someone who had already used the system before the pandemic).
- 5.8. This gave us assurance that the redeployment was happening as planned and that our overall capability was growing, helping us to avoid having to put further easements in place.
- 5.9. Apart from the above example, DWP's focus was on standardisation and consistent reporting challenges. However, the scale of the challenge meant that data from previous economic events was not sufficient to inform decisions. The Universal Credit system was not yet able to track certain activities, for example DWP relied on manual trackers of claimant referrals to provisions, during the initial pandemic response.
- 5.10. Further detail on the use of data and modelling in the design and implementation of the Universal Credit uplift is included Section 2: changes to Universal Credit and Working Tax Credit.

SECTION 6: JOINT WORKING

- 6.1. In my view, the working relationship between HMT and DWP during the pandemic was amongst the best I have experienced in my career. The pandemic necessitated that the Departments worked together with urgency in the delivery of vital policy interventions such as the Universal Credit uplift at a pace not seen before.
- 6.2. My DWP colleagues and I worked closely, and at pace, with HMT to develop the package of economic responses. DWP developed labour market scenarios and fed data and assessments into the wider government discussions on the overall economy ahead of Office for Budget Responsibility publishing their initial economic assessment (**See “Economic scenarios with OBR/BEIS/CO/HMT” NC/M9-2/73 INQ000653790 (DWP00455664) and “HMT/DWP scenarios for LM” NC/M9-2/74 INQ000653789 (DWP00455663), and after that (“Cross HMG COVID-19 Scenarios:24 months”) NC/M9-2/75 INQ000653819 (DWP00455714).** DWP had access to daily/hourly information on new claims to Universal Credit, and claims to other benefits, which gave us a good indication of the path of the labour market in the short term. We were provided with Office for Budget Responsibility economic scenarios in April, which included unemployment, and from that point used these alongside a range of additional planning scenarios to assess the medium-term path for the labour market for workload planning, and expenditure forecasting purposes (**see “200423 Economic scenariosdevelopment.pptx”) NC/M9-2/76, INQ000653829 (DWP00455725).**
- 6.3. Our performance data packs were shared with HMT, Cabinet Office and others across government, and received feedback that they were useful in strategic decision- making questions.
- 6.4. The Department shared our labour market intel with HMT and received information on the Coronavirus Job Retention Scheme (CJRS) and The Self-Employment Income Support Scheme (SEISS). DWP also received and shared insight with the Department for Business, Energy & Industrial Strategy on labour demand.
- 6.5. When discussing recommendations for the ‘Plan for Jobs’ virtual ‘cells’ were utilised where officials from DWP and HMT could talk confidentially then present findings to the Chancellor and Secretary of State for Work and Pensions. These ‘cells’ were led by Jonathan Mills for DWP.

SECTION 7: REFLECTIONS AND LESSONS LEARNED

- 7.1. It is my observation that lessons have been learned from the approach implemented by DWP and its predecessors in response to the last 4 major economic downturns – in the 1980s, the early 1990s, the mid/late 2000s, and most recently the impact of the pandemic. Each downturn has its own specific characteristics, but the Department uses its experience to inform its future planning.
- 7.2. The downturn of the 1980s saw Labour Market interventions and employment programmes stopped to alleviate pressure on the benefits systems at a time of high unemployment. It is now understood that the longer an economic recovery takes, without labour market interventions in place, the greater the risk of hysteresis, with the long-term prospects of young people being negatively impacted. During the recession of the 1990s, Labour Market interventions and employment programmes were maintained despite the increased pressures on the system. This meant employment quickly fell in the subsequent recovery.
- 7.3. What was also observed was an effort amongst employers to reduce their work force. This impacted young people over the long term, reducing job opportunities and ultimately contributing to a skills gap in the labour market. In addition, employers often needed to invest in retraining new employees as the recovery started.
- 7.4. In the aftermath of the financial crisis of 2008, drawing from the lessons learned in the previous downturns, DWP committed to preserving labour market interventions. The Department increased the number and range of employment programmes available to address anticipated job cuts as witnessed in the early 1990s. However, in contrast to the 1990s, employers tended to retain people rather than reduce staffing levels. As a result, there was more labour market provision available than was needed as unemployment peaked at a much lower level than originally forecast.
- 7.5. These lessons helped to inform DWP's approach during the pandemic. When the pandemic first hit there was a reluctance to stop labour market interventions immediately due to the risk of hysteresis. However, as outlined in 'Section 3 - Overview of DWP Role in the Economic Response to COVID-19', it soon became clear that in order to protect both our staff and customers it was necessary to stop face to face appointments and suspend work search and availability requirements, ensuring no work search or work availability requirements were imposed on Universal Credit claimants. DWP Ministers and Senior

Officials were keen to restart labour market activity as soon as it was deemed safe to do so and the labour market offer was reintroduced from July 2020, extending conditionality requirements (the requirement for claimants to provide evidence of work-search and attend face-to-face appointments) to increasing numbers of claimants as work coach numbers increased.

- 7.6. As detailed in the Department's Module 9 Corporate Witness Statement, DWP conducted a range of internal and external reviews and lessons learned exercises related to its response to the pandemic. These reviews related to DWP processes and procedures and covered how the Department should respond to a similar event in future to ensure that financial support is available when needed.
- 7.7. On 18 June 2020, the DWP Business Continuity, Resilience & Emergency Response teams submitted to the Implementation Planning and Delivery Executive a broader and more comprehensive report on lessons from the initial response [**NC/M9-2/78 —INQ000187740 DWP00170907**]. This was developed based on Lessons Learnt engagement across the Department, with input from the Government Internal Audit Agency (GIAA). It included the findings from the 29 May 2020, COVID-19 Departmental Operations Centre Lessons Learned note referenced above, and highlighted a number of achievements, as well as identifying improvements that were implemented in planning for future response phases.
- 7.8. Overall, this report found that DWP had a high degree of flexibility to adapt its response and adjust resources to meet a rapid surge in demand. The emphasis on services for benefit payments, vulnerable customers, new claims and change activity with bearing on entitlement, as per the Executive Team's prioritisation articulated in the report, proved effective in focusing the Department's efforts.
- 7.9. The report also highlighted a range of recommendations and improvements, including a number identified by stakeholders:
 - **Responsibilities** – the Incident Management Framework had been developed around the Executive Team providing oversight of the response with the Gold Commander retaining decision-making authority. In practice, requests from Cabinet Office for individuals at Director General level to attend COBR meetings proved this to be an unrealistic assumption.
 - **Accountability** – representatives attending Gold Command did not feel that they were always empowered to make decisions, with Executive Team or accountable Director

Generals wanting to make final decisions. Clarity of the Executive Team's role was required to strengthen response structures.

- **Roles & Expectations** - Colleagues nominated to attend Gold and Silver Command meetings were not always clear on their role or the role of others, the expectation, and deliverables. It was suggested developing and sharing Terms of Reference (ToR) for groups to clarify where areas should feed questions and issues would be helpful. This recommendation was incorporated into the Department's second surge plan.
- **Reporting** – Bronze command meetings proved effective in resolving operational issues. However, there needed to be clearer reporting of decisions to Gold Command for collective oversight. Due to the scale of the response and large areas of responsibility, colleagues often had difficulty tracking engagement and actions, all groups needed to be supported by a strong secretariat function. This recommendation was reflected in subsequent Bronze command structures.
- **Decision Making** – It took some time to agree clear and auditable decision-making logs, which meant an amount of rework for some secretariat functions. A template was subsequently agreed, added to the Gold Commander Incident Response toolkit, and incorporated into the Second Surge Business Continuity Plan.
- **People** – during the initial response phase in February – March 2020 the command structure was operational on a 7-day a week basis. Clear plans for deputies, shadowing and support for the Gold Commander were not put in place early enough in the response. The pressure and pace of the initial response highlighted a risk to the wellbeing of individuals. This was taken on board, and both cover arrangements and staff welfare were prioritised in subsequent Gold/Silver/Bronze command structures.

7.10. These findings support the Executive Team's decision in early April 2020 to appoint me as Senior Responsible Officer and reduce the overload on the Gold structures by implementing a programmatic approach under Implementation Planning and Delivery Executive.

7.11. The Inquiry has asked for my views and reflections to assist the Inquiry as to what worked well and what areas, if any, could be improved.

7.12. I consider our response to have highlighted the critical importance of a stable delivery platform. Where existing services must be maintained alongside an emergency response, it is essential that core systems are resilient, reliable and able to operate under significant pressure.

- 7.13. Changes should be kept to a minimum during a crisis. Working with the grain of existing capabilities enables rapid implementation, avoids unnecessary complexity, and ensures deliverability in practice.
- 7.14. Clear governance and role definition are also fundamental. Staff must understand their responsibilities and maintain discipline in delivery. Ministers should be supported to act as decision makers rather than becoming involved in operational detail thereby safeguarding both effective leadership and efficient implementation.
- 7.15. Close collaboration with HMT, conducted in a spirit of openness and shared endeavour, is vital to secure the resources and decisions needed at pace.
- 7.16. Investment in capability prior to a crisis is indispensable. The resilience of Universal Credit demonstrated the value of sustained preparation and early investment. By contrast, attempting to build capability once a crisis is underway is invariably too late and risks undermining any response.
- 7.17. HMRC delivered new schemes quickly and effectively and in hindsight, it would have been beneficial if we had established inter-departmental feeds into their self-employment income support scheme to provide information on those who were claiming the scheme and Universal Credit at the same time. This was explored at the time and was found to be not possible as the feed would take at least one year to develop and implement, the need and priority was to put support in place as fast as it could be. Unfortunately, some people abused this and there was a significant level of fraud committed, more than we anticipated.
- 7.18. When making decisions, we understood that some of the steps implemented would lead to an increase in fraud and error. However, this risk was accepted and balanced against the real need to provide urgent vital financial support to vulnerable individuals and families during a time when other financial support, such as Furlough, was not yet available.
- 7.19. DWP's priority during the pandemic was to keep the system running and ensure timely payments to millions of customers, including vulnerable individuals. In doing so, the Department fully recognised the associated fraud and error risks that came with such rapid scaling. These risks were well understood and the Department acted swiftly to mitigate them. Should a similarly rapid surge in claims ever occur again, both the Department and I would

promptly review the existing control measures and implement any necessary adjustments, balancing the need to protect public funds with delivering vital support quickly, just as we did during the pandemic.

- 7.20. For example, in April 2020, faced with unprecedented pressure and demand, JP Marks and I decided, at pace to remove the Child Benefit check, which is when the Department searches the Child Benefit database to confirm that the applicant does have a child. I made this decision to speed up the claims process. In hindsight, this decision let more fraud into the system than it would if the check had remained and, overall, it had only a small impact on the speed of claim processing. But that knowledge is with the luxury of hindsight, something I did not have or could not have known when doing it. We did quickly adapt and re-implemented the check in May 2020.
- 7.21. In terms of fraud and error, prior to the pandemic, we relied on face-to-face appointments as one of the ways to check ID and other documents, like tenancy agreements (if a person is in the private rented sector). In response to the surge in claims because of the pandemic, we initially replaced face to face appointments in June 2020 with new biographical questions where DWP officials would ask the claimant questions over the phone that we felt only the individual could answer. We also later expanded the online ID verification system, 'Verify', and 'Confirm Your Identity', and then added the ability to upload private rented sector tenancy agreements online, so we did not actually need to see most people face-to-face. Consequently, our need for initial evidence interviews to check people's identity and some of that key documentation is now much lower than it was before. This not only strengthens our resilience when faced with unexpected events but also enables our staff in the Jobcentres to focus on helping people into work as opposed to checking ID and documentation.
- 7.22. One area that we could had been better prepared for before the pandemic was our remote working capability. When the first lockdown was introduced, many of our staff did not have the kit to work from home. My colleagues in Digital did an incredible job getting 20,000 laptops and other tools to enable remote working and resolved this issue. With hindsight, I wish we had invested in that technology ahead of time but if it happened again, we would not be in that position.
- 7.23. I believe the Department and I made decisions to maintain the system, growing capacity at an unprecedented rate and completely adapting our ways of working to ensure payments were made on time to the millions of people, something we achieved, with 90% of payments

made on time. The alternative would have been complete collapse of the system leaving some of the most vulnerable people and families without a lifeline.

- 7.24. In my view the uplift achieved its objective of providing rapid financial support for those who had lost or were at risk of losing employment or significant income and it did this without risking the stability of the social security system. The universality was key to the success of the uplift, ensuring delivery was effective and efficient at a time of crisis. I think a similar uplift should be considered during future crisis and could be easily delivered, should the circumstances require it.

SECTION 8: CLOSING SUMMARY AND STATEMENT OF TRUTH

- 8.1. DWP's close collaboration with other government departments, including HMT, Cabinet Office and the devolved governments of the UK helped to promote cohesive communication and policy implementation, supporting the efficacy of the Department's response. The collaboration enabled the swift development and implementation of policies that aimed to support those most affected by the economic disruptions caused by the COVID-19 pandemic.
- 8.2. The Department's efforts were guided by comprehensive business continuity plans, which had been refined over 20 years and tested across Whitehall and through internal DWP exercises. DWP's examination of its response to the COVID-19 pandemic in lessons learned exercises has ensured that it is even better prepared to handle future crises.
- 8.3. Throughout the pandemic DWP responded at a rapid pace to support the Government's strategy and the changing landscape. The three phased approach provided a structured framework to support the Department operating effectively through the initial response to the pandemic, where our priorities were to ensure people could gain access to vital financial support, through to a return to Business-as-Usual practices and a focus on supporting the economic recovery through delivery of the Plan for Jobs.
- 8.4. The contents of my statement are true and accurate to the best of my knowledge and belief.

Signed:

Personal Data

Dated: 22 October 2025

Annex A

Fraud and Error in the Benefit System (FYE 2019–2025)

FYE	DWP + Tax Credits		DWP only											
	Total Overpayment Rate	Total Overpayment Value	Total Overpayment Rate	Total Overpayment Value	Fraud Rate	Fraud Value	Claimant Error Rate	Claimant Error Value	Official Error Rate	Official Error Value	UC Overpayment Rate	Total Benefit Expenditure	Net Loss Rate	Net Loss Value
2025	3.3%	£9.7bn	3.3%	£9.5bn	2.2%	£6.5bn	0.7%	£1.9bn	0.4%	£1.0bn	9.7%	£292.2bn	2.9%	£8.4bn
2024	3.8%	£10.4bn	3.6%	£9.7bn	2.7%	£7.3bn	0.6%	£1.6bn	0.3%	£0.8bn	12.4%	£266.2bn	3.2%	£8.6bn
2023	3.8%	£9.3bn	3.6%	£8.3bn	2.7%	£6.3bn	0.6%	£1.4bn	0.3%	£0.7bn	12.7%	£233.8bn	3.1%	£7.3bn
2022	4.3%	£9.8bn	4.0%	£8.7bn	3.0%	£6.5bn	0.7%	£1.5bn	0.3%	£0.7bn	14.7%	£215.8bn	3.5%	£7.6bn
2021	4.3%	£9.7bn	3.9%	£8.2bn	2.9%	£6.2bn	0.6%	£1.3bn	0.4%	£0.8bn	14.5%	£211.7bn	3.6%	£7.6bn
2020	3.1%	£6.4bn	2.4%	£4.5bn	1.4%	£2.7bn	0.6%	£1.1bn	0.4%	£0.7bn	9.4%	£191.7bn	1.9%	£3.6bn
2019	3.1%	£6.3bn	2.1%	£3.9bn	1.1%	£2.1bn	0.6%	£1.0bn	0.4%	£0.7bn	8.7%	£183.7bn	1.5%	£2.8bn

Sources and notes:

[Fraud-and-error-statistics-release-2024-2025-estimates-data-tables.xlsx](#). (FYE2024 – are the revised figures)

[Child-and-working-tax-credits-error-and-fraud-statistics-2021-to-2022](#)

[Tax Credits finalised main payments tables 2022 to 2023](#)

Tax Credit figures for 2023 onwards are estimates, based on caseload forecasts and an extrapolation of historic rates, as the final estimates have not been published

