

Witness Name: Lady Coffey DBE PC

Statement No.: 1

Exhibits: TC/1 – TC/222

Dated: 24 October 2025

UK COVID-19 INQUIRY

WITNESS STATEMENT OF LADY COFFEY DBE PC

I, Lady Coffey, will say as follows: -

Part A: Introduction

1. I served as a Member of Parliament from 2010 to 2024 and now am a Peer in the House of Lords. I was a member of the government continuously from 15th July 2014 through to 13th November 2023, serving under five Prime Ministers as a whip, Deputy Leader of the House of Commons, as a minister in Department for Environment, Food and Rural Affairs for over three years before becoming Secretary of State for Work and Pensions (“DWP”). Since that role, after the inquiry period, I served as Deputy Prime Minister, Secretary of State for Health and Social Care, and Secretary of State for the Department for Environment, Food and Rural Affairs.
2. This statement is based on my recollections and reference to documents provided to me by my legal team and the DWP Public Inquiry team. DWP only provided me with physical access to the physical registered files from my time in office from 16 October 2025. These included most, if not all, of my handwritten notes, questions, steers and decisions. DWP scanned and uploaded electronic versions on the department’s e-disclosure platforms. However, these are difficult to read and navigate due to a lack of underlying indexing or data entry. As such, some of my responses are limited to my own recollection or what I can find from review of my private office correspondence. In 2018 I had a brain abscess which severely affected my memory at the time and has an ongoing impact on aspects of my recall.

Part B: Role and Responsibilities

3. As the Secretary of State for Work and Pensions from 8 September 2019 to 6 September 2022, I had overall responsibility for the Department, working in partnership with the Permanent Secretary, other ministers and the leadership team. While I was not the Accounting Officer, overall this included responsibility for departmental expenditure and departmental planning and performance management, including tracking progress of the Departmental Plan against manifesto commitments and other external reporting and governance requirements. Areas under my remit, including arms length bodies and regulators within these areas, were benefits, employment, pensions, disabilities, child maintenance, tackling poverty, the Health and Safety Executive and the Office for Nuclear Responsibility. My general responsibilities were consistent throughout the time, including working with other departments, though I took on leadership on some cross-cutting government measures focused on supporting children, including the Holiday Activity Fund.

4. I was extensively involved in the economic response to the pandemic, particularly within DWP though also contributed to the wider response from the UK government. The latter was, understandably and correctly, led by the Prime Minister and Chancellor, who could see the overall horizon, recognising the different demands on the government and giving overall strategic direction to the recovery. My role within DWP primarily was to make decisions on policies, monitor, assess and correct where needed, and oversee the delivery of a variety of areas including the creation of the Plan for Jobs. I also advocated for the Health and Safety Executive in its role within government and its role to help businesses continue to operate safely. During the Relevant Period, we continued to work on other initiatives, some of which aided departmental effectiveness and efficiency during the pandemic. This included establishing an Implementation Unit, improving customer services and working on wider strategic objectives including the Health Transformation.

5. My overall objective was to help the response of the country to the pandemic and assist in its economic recovery. This included maximising the use of our resources to support individuals who were being advised to self-isolate [TC/01 - INQ000655275]. As DWP, we were there to help facilitate the public in implementing and complying with the Department of Health and Social Care's public health guidance by distributing financial support as appropriate. We created some new schemes and also helped facilitate other support including to people shielding by running the call centre.

6. Our focus, though, had to be our principal purpose in interaction with millions of people in paying benefits – for ongoing customers and new customers. The department preparedness for the pandemic has been set out extensively in its Module 9 corporate statement. In addition, the Department had well-tested plans to cope with surges in demand for benefits in an economic slowdown. I was confident in my officials that appropriate resilience assessments had been undertaken and that in the usual course of business, it had continued to be prepared. DWP had participated in Exercise Cygnus in 2016. In that exercise, it had specifically assumed that 50% of staff would be absent – which was highly accurate in the early days of Covid-19.
7. As Secretary of State, I made decisions about which activities of the department should be prioritised as part of our response to the pandemic.
8. As set out in the DWP corporate witness statement for Module 9, DWP Business Continuity Plans included a range of measures including easements, contingencies and a command structure. When Covid-19 hit in early 2020, the Business Continuity Plans became, with necessary adaptation (for features particular to the disease and the necessary response that had not been foreseen), the platform for our response.
9. DWP moved to the extreme of business continuity within a matter of days of the pandemic starting. This plan was utilised to develop a three-phase plan – respond, run and recover.
 - 9.1. In the ‘Respond’ phase the focus was on responding to the immediate challenges, such as ensuring the Department was able to continue to pay benefits on time, consider vulnerable people, and manage the rapid rise in new benefits claims. The Department ensured that people who were suddenly out of work (for example, because lockdowns meant their employer closed down) received crucial financial support as quickly as possible. DWP was at the forefront of the Government’s immediate financial response to the pandemic, providing timely support to millions of people.
 - 9.2. The ‘Run’ phase focused on meeting the economic challenges for the country and its citizens – DWP continuing to run its services, including the payment of benefits, and the creation and delivery of Plan for Jobs.
 - 9.3. The ‘Recover’ phase focused on restoring DWP services to pre-pandemic state, with a return to business as usual processes across the Department.

10. Early in my tenure as Secretary of State, I had initiated two practices to help improve coordination, share information and improve performance.
 - 10.1. I required departmental ministers and members of the leadership team to write to me every week with a summary of work done and to outline any issues for my attention. This was in addition to the routine monthly meeting I would have with individual ministers.
 - 10.2. I also had initiated weekly delivery meetings, which covered routine and ad hoc consideration of departmental performance, as well as an opportunity to consider further the weekly updates. The focus of the weekly delivery meeting was to monitor the department's performance and review whether measures we had introduced were working.
11. The weekly delivery meetings were an effective, constructive and collaborative way of making things work. The weekly meeting scrutinised the department's performance and highlighted any policy decisions which needed to be taken.
12. Early in March 2020, I gave some thought to how the department should best organise itself so that Ministers, officials and I could be assured that there was effective operational delivery, so that we could have a shared understanding of any problems arising, and so that we could deal swiftly and effectively with the challenges of the pandemic. Building on the success of the weekly delivery meeting, from early March I instituted a daily meeting with ministers and the leadership team and the gold commander Nick Hamer. The meeting started with a situation report, including relevant statistics (for example the number of benefit claims), an overview of any issues, and then turned to feedback on how the measures we implemented were working. In effect, the meeting set the priorities for the day. Some examples of minutes of these meetings are exhibited at **[TC/02 – INQ000655276 (24 March 2020); TC/03 – INQ000655277 (15 April 2020); TC/04 – INQ000655278 (30 April 2020)]**. The daily meeting was an effective way of dealing with challenges arising from the pandemic emergency (for example, how civil servants could work effectively from home when not everyone had their own computer at home) and setting priorities for what needed to be done in the short term. In addition to the usual (though accelerated – see further in paragraph 59 below) submission process, the meeting also considered whether easements and other measures we had implemented were working, whether further measures were needed, and identified where policy decisions needed to be taken (by me and/or me together with the prime-minister and chancellor). The meeting was an opportunity to discuss advice given prior to the meeting, to give steers on matters that

did not require a formal decision process and to identify policy decisions which needed to be taken (these would then follow a formal submission process). It was an opportunity for all ministers to contribute and take on responsibility and was a way of making sure that all ministers were involved and were properly informed and able to report to parliament.

13. The daily meeting is an example of a process which worked well in the pandemic. The daily meeting gave a rhythm to the department, it enabled the department to be flexible and helped give everyone confidence that we were turning things around quickly and responding effectively to the challenges that arose. I believe that the daily meeting contributed to the department's success in responding to the pandemic.
14. On reflection, I think that the department performed very well in the pandemic, to the extent that it was largely unnoticed. We paid people benefits. We helped people get into work. We supported vulnerable people. We responded to the many challenges we faced, adjusting appropriately to support in the initial phase of Covid-19 and to help with the economic recovery.
15. I think the Inquiry should recognise the scale, scope and physical extent of DWP civil servants across the country, who helped inform us and helped us deliver measures to communities everywhere. In effect, the Department's workforce was a reflection of society more broadly in terms of families and households right across the country, including our relationship with the Northern Ireland Civil Service. We organised decision-making pretty efficiently. While we did not have IT equipment for everyone to work at home initially, nor should we have expected to, I was particularly impressed by Simon McKinnon and the IT leadership he showed to make that change. I was also impressed by the desire of many DWP civil servants to want to continue to support our existing customers and work exceptionally hard to on-board our new customers. Redeployment had to happen. People had to work to build capacity in IT. Our system went down just once, briefly, in my recollection – but that was due to our supplier not being able to manage the pipeline of incoming queries and applications. I often called DWP the "Department of Wonderful People" and that was what our civil servants were during that whole period.

Part C: Joint Working

16. Throughout the Pandemic response, DWP worked closely with a range of government departments, devolved administrations and public bodies to ensure a coordinated response. Officials would meet regularly, with initial coordination management through the Gold/Silver/Bronze structure, set out at the outset of the pandemic. I attended several Covid-

O meetings throughout the pandemic response. The other DWP ministers also attended when delegated or if I could not go. The Covid-O meetings were structured by the Cabinet Office and were attended by ministers from other departments as invited by the Cabinet Office.

17. There was particularly close working between DWP and His Majesty's Treasury ("HMT"). DWP often had the detailed expertise with policy officials, many delivery mechanisms and several hundred analysts. HMT had the core financial competence and overall government responsibility for the nation's finances.
18. By and large, HMT had to approve spending of most new money – that would be true in business as usual too, so there is nothing special about the way this worked during the pandemic. If anything, the Chancellor and the HMT were more generous and agile than the regular status quo – responding to the pandemic being novel. We had not experienced anything like this before in terms of the extent, the timeline and the totality of it.
19. At the outset of the pandemic, after discussion with the Chancellor, we set up a cell between HMT and DWP whereby a small group of policy officials from DWP and HMT collaborated closely. Special advisors were also involved in the cell when required. The cell was designed to enable joint working between the departments, avoiding siloed approaches to policy development. The cells operated with a high degree of sensitivity, allowing for a high degree of transparency between the departments. My recollection is that the cells were operational around March 2020. I was not involved in the day-to-day work of the cell and did not attend meetings. I made necessary decisions in relation to the policy being developed by the cells, usually through my Director General, who would relay relevant information and discuss issues with me as needed. In my view the cell structure was beneficial. In a more conventional working arrangement, it could be unclear what the broader context of work commissioned by HMT to the Department was about. The cell model allowed for open and transparent discussions between departments, which improved coordination and policy development during a period of significant national challenge. Most of the other communication and coordination between HMT and DWP was done at official level. There were at least weekly meetings at special advisor level.
20. Generally, the Chancellor and I had a very good working relationship. We had worked together as ministers earlier in our careers and our previous working relationship was helpful, built on mutual respect and recognition of each other's competences. Overall policy on Statutory Sick Pay ("SSP") was still decided by me; any significant changes involving extra spend would need to be approved by the Chancellor. That was also the case for the Universal Credit ("UC") uplift

– which was approved as a temporary measure. On Kickstart and the Job Entry Targeted Support scheme (“JETS”), these were two elements of a wider Plan for Jobs. Plan for Jobs was led principally by DWP with HMT support. To my knowledge, the Chancellor did, though, specifically initiate the concept of Kickstart – which in essence paid for 25 hours’ employment in full. We were both concerned about the potential impact of this pandemic on young people. I took his idea of Kickstart and worked with DWP officials to develop it into the practical scheme that evolved. In other parts of our Plan for Jobs, some of this was using some existing programmes and strengthening them. As well as Kickstart, Plan for Jobs included JETS, Sector-based Work Academy Programme (“SWAPS”), Job Finding Support (“JFS”) and Restart.

21. During the pandemic response, DWP would work with other departments on a variety of matters. I mostly worked with the Department for Business, Energy & Industrial Strategy, the Department of Health and Social Care and the Department for Education. This varied from joining roundtables, ensuring the Health and Safety Executive was involved, interaction on various Department of Health and Social Care matters, and with the Department for Education on various issues including skills, apprenticeships, childcare and child poverty. I sought to establish an approach of DWP and the Department of Education being co-pilots to other departments to help with economic jobs strategy. Department for Digital, Culture, Media & Sport was the first department with which we worked. We were also involved in other initiatives like Green Jobs led by the Department for Business, Energy & Industrial Strategy. DWP was generally involved in matters that were focused on creating jobs and getting people into work.
22. The type of engagement with other departments further covered: Department of Health and Social Care – sick pay and some benefits; Department for Education – skills for helping young people get back into work and some programmes supporting children; Ministry of Housing, Communities and Local Government – delivering the customer call centre for people shielding and delivery of household support fund programmes; Cabinet Office – identity validation and their overall coordination role. Some of this work was done between officials but I would also, as needed, contact other ministers to speed up responses or flag issues. This was a mixture of operational work and also considering what was the appropriate economic response – for example direct funding, funding to councils or targeted interventions on helping skill up job seekers.
23. As for my relationship with the Prime Minister, I think the Prime Minister trusted me. DWP stood up to the challenge. We didn’t fall over. That, I think, gave him great confidence in me

and my department. I had been reappointed as Secretary of State on 13th February 2020 and again in September 2021.

24. I had a small number of interactions with ministers in the Devolved Administrations during this time. Most policies were reserved matters for Great Britain. The Scottish government had some devolved policies that differed but by very little. Northern Ireland largely followed what the UK government did on benefits due to the funding arrangement in place but were constitutionally able to pursue other policies if they so wished. More of the challenge came when public health guidance was different. The Chief Medical Officers sought to keep this consistent but there were differences at times, for example, as to whether DWP employees could attend their workplaces where geographical lockdown restrictions differed. We accommodated that by legislating for SSP to respond to the guidance in each nation.
25. From my experience, most of the DWP work did not involve local government early on. We interacted on back to work programmes and some grant schemes, particularly the Household Support Fund.
26. A lot of engagement with external parties was undertaken by my ministers and officials (see further paragraphs 60 – 62 below). They could go through more details in their portfolios and share insights with me. Early on, I did attend most of the roundtables run by the Department for Business, Energy and Industrial Strategy's Secretary of State. These had lots of attendees and largely served for trade bodies to make various points. I held a small number of roundtables with just a handful of firms or trade bodies. I also met the General Secretary of the Trades Union Congress. It is worth noting (apart from in the very initial part of the pandemic response in March 2020) that we continued to work on other policies and improvements throughout this time. It was not all about Covid-19. I had some interactions with external parties from around May 2020 onwards (once I did not need to focus on the immediate emergency), particularly in relation to the Plan for Jobs, which is outlined further below.

Part D: Changes To Statutory Sick Pay Eligibility

Key Decisions - SSP

27. As I was ultimately responsible for SSP policy, I also determined any changes in policy. I did so on a basis of policy advice provided to me and interactions with ministers and officials from the Department of Health and Social Care, HMT and the Prime Minister. I understand that DWP has provided its consideration of how SSP policy and operation evolved during Covid-

19 in its Module 9 corporate statement. I have covered the points from my personal perspective.

28. On 2 March 2020 I attended a COBR meeting at which the Covid-19 action plan was agreed and discussion was also had around the Covid-19 Bill [TC/05 - INQ000655409]. The department was asked to provide instructions on SSP measures that may have been needed to be included in the Covid-19 Bill to the office for Parliamentary Counsel.
29. The Department of Health and Social Care was the government department responsible for issuing public health guidance, but DWP could assist with delivery of health policy. I believed it was important for us to play our part in responding to the crisis, and to do what we could to facilitate implementation of health policy to the best of our ability. In practice, this meant ensuring that financial support reached those who needed it as quickly as possible, enabling them to comply with public health advice and manage through the pandemic.

Policy Design

30. SSP policy had historically been the responsibility of DWP. I believe this is because it used to be the case that the government would reimburse employers, though that is no longer the case. However, SSP is paid by employers to their employees. Eligibility and the minimum rate payable are both determined in legislation. Employment contracts can and many do, make more generous provision in for how much and for what period employees are entitled to sick pay.
31. I understand that DWP has set out in its Module 9 corporate witness statement a chronological timetable of changes to the SSP framework between 1 January 2020 and 28 June 2022, using a combination of powers under the Social Security Contributions and Benefits Act 1992 (SSCBA92) and the Coronavirus Act 2020 (CVA 2020). [see Annex A of the corporate witness statement, for a table setting out the date on which DWP easements were implemented, extended, varied or ceased]
32. These changes were made with the dual objectives of supporting public compliance with evolving Department of Health and Social Care and Public Health England advice and protecting small and medium enterprises from increased costs of paying SSP.
33. DWP and HMT identified two groups for targeted interventions to provide economic support to individuals and employers, so people did not feel pressure to go to work due to financial

concerns, when they had Covid-19: i) employees who could not go to work due to Coronavirus and ii) employers who would otherwise incur additional cost of employee sickness absence.

34. Consequently, HMT and DWP developed two key economic policy objectives to support these groups:

34.1. Ensuring that eligible employees had financial support when they could not work because they were ill with Covid-19; or because they were self-isolating in line with Public Health Guidance. This was to support compliance with the public health guidance to reduce the spread of Covid-19 and to protect the health of individuals. As SSP is paid by employers to employees through their existing payment systems, it was identified as the most immediate means for getting financial support to employees quickly.

34.2. Ensuring measures were put in place to support employers with the increased costs of paying SSP to significantly higher-than-usual volumes of employees who were off work due to the Coronavirus pandemic, whether they were ill with the virus or isolating in accordance with public health advice.

Initial SSP changes

35. It was apparent at the outset of the Covid-19 outbreak that changes would be required to statutory sick pay to ensure that both individuals and employers could get support that they needed in response to becoming sick and also to help tackle the spread of coronavirus. The department had already been in discussion with other departments, had started considering proposals and options for implementation. I had also discussed with the Secretary of State for Health and Social Care the need to remove the waiting period for SSP.

36. On 3rd March 2020, I received a submission outlining some of the early work asking for my steer [TC/06 - INQ000658353]. This included removing the waiting period for SSP and other considerations of eligibility. This submission also highlighted how some matters could be delivered via secondary legislation and confirmed where new primary legislation would be required. There was a strong recommendation not to pursue extra-statutory payments nor to use the Appropriations Act. I had been content to do so if that would help with pace but the department was able to deliver the desired outcomes through more usual legislative routes. It was clear from this submission that the Prime Minister and Chancellor had started discussing the potential for a rebate to employers. The rebate scheme is considered later in my statement.

37. On 6 March 2020 a submission came to the Minister for disabled people, health and work and myself which set out the following proposals [TC/07 - INQ000592912]:
- 37.1. Removal of the 3-day waiting period before, so that SSP eligibility would start from day 1 of sickness.
 - 37.2. Extending SSP eligibility, making it available for people who are affected by COVID-19 but not sick.
 - 37.3. Alternative forms of evidence for employers to use.
 - 37.4. The refunding of the costs of SSP for small-medium enterprises.
38. I agreed with all of these recommendations [TC/08 - INQ000653746].
39. A later submission came to me on 25 March 2020 [TC/09 - INQ000655279; TC/10 – INQ000655280; TC/11 - INQ000655281; TC/12 - [INQ000575855]; TC/13 - [INQ000583794 ?]] to make and lay regulations to give effect to some of the above proposed changes, namely the suspension of the waiting days and extension of eligibility for SSP to those who are self-isolating.
40. I gave approval for these submissions which was passed on via my private office on 26 March 2020 [TC/14 - INQ000655283].

Further decisions on SSP eligibility

41. The department had been asked in early March 2020, ahead of the March Budget to consider extending eligibility for SSP to parents and carers looking after children due to school or childcare setting closures. At that time, I did not consider it appropriate to extend SSP eligibility to this cohort. There was no element of individual sickness nor public health guidance. The Government had not mandated school closures at that stage of the pandemic, and therefore, such an extension would not have aligned with Government policy. At the time, there was also no advice for parents to stop working, and we would not ordinarily pay SSP to parents when schools shut suddenly for other reasons (such as in the case of a fire or flooding). I indicated to officials that this could be reconsidered if thought appropriate. Discussion between Policy officials about this can be found at [TC/15 - INQ000655284].

42. I, along with the Minister for Welfare Delivery, received a further submission on 9 April 2020 providing an overview of the financial support available for parents and carers and the gaps in this support [TC/16 - INQ000655285]. The submission did not recommend any change to policy at this stage but noted that the situation was fluid and should stay under review.
43. Regarding changing or removing the lower earnings limit, the department had already (pre-covid)¹ started considering SSP policy more broadly including removing the lower earnings limit. I knew that substantial changes would be needed in policy, in legislation and in operation. I was informed that the Chancellor had not been inclined to undergo such large changes. I also thought this could be too challenging to internally and externally change the system. I do not recall any further specific discussion at that point on the lower earnings limits. It may have also been in the mind of the Chancellor because of the furlough scheme which was also announced in March.
44. People on zero hour contracts are eligible for SSP but this is dependent on their earnings, averaged over the previous 8 weeks, being above the threshold of £118 per week. On average, people on zero hour contracts work 24 hours per week. It is estimated that 2 million people earn less than the required threshold. People on a income below the threshold for SSP would generally be eligible for Universal Credit, though there are exceptions. Students and pensioners are not eligible for Universal Credit nor are people with savings over £16,000. Pensioners could have been eligible for pension credit. Overall, due the impact and immediate burden that removing the threshold would place on business financially and operationally, the decision was made not to remove the lower income threshold.
45. The decision not to temporarily increase the rate SSP during the pandemic was made by me, in consultation with DWP officials and across government. We were concerned about the significant additional financial burden this would place on employers², uncertainties about policy impacts and incentives, the risk of encouraging unnecessary absence, and the view that people on low incomes would already receive increased Universal Credit as their earnings fell. Ultimately, it was decided to maintain only the usual annual uprating of SSP rather than a special increase during Covid-19.

¹ As part of the health is everyone's business consultation

² The SSPR scheme would not have extinguished this burden. SSPR was (i) targeted only at SMEs (ii) applies only to the first 2 weeks of SSP payments and (iii) applied only to employees who were incapable of work by reason of COVID-19-related matters)

46. In March 2020 NHS England began writing to people with serious underlying health conditions to advise them to limit their social interactions for at least 12 weeks. This was also termed shielding. SSP as it stood at the time would not extend to this Cohort. I received a submission on this issue on 27 March 2020 [TC/16a - INQ000658340; TC/16b - INQ000658341]. In my response [TC/17 - INQ000655286] I considered we needed to be able to provide support in whatever way works best for this cohort of people. Rather than extending SSP, we should encourage this group to seek furlough in situations where they could not work from home. This was in line with government advice at the time which stated that, *“Employees who are shielding in line with public health guidance can be placed on furlough”*. As such, I agreed with the submission not to extend SSP at this stage to people advised to shield.
47. However, as use of the furlough scheme remained at the discretion of employers, anecdotal evidence began to emerge of employers not intending to use the scheme at all [TC/18 - INQ000653742]. On 7 April 2020 I received a further submission [TC/19 - INQ000653769], this time advising that SSP eligibility be widened to including the shielded cohort as a safety net for situations where employers chose not to take advantage of the furlough scheme. I agreed with the submission, noting that advice should continue to encourage employers to use the furlough scheme as the preferred option [TC/18 - INQ000653742].
48. In May 2020 with the Government setting up the test and Trace system, I asked the policy team to look at extending SSP eligibility to those advised/required to self-isolate through this system. On 20 May 2020 I received a submission advising of the implications of extending the policy [TC/20 - INQ000575852]. While I was generally content with the regulations, I did seek clarification on a few points before consenting to the new regulations being laid [TC/22 - INQ000655287]. These queries were answered on 23 May 2020 alongside a steer being sought from me as to the approach to dealing with different contact tracing strategies between the devolved administrations [TC/23 - INQ000655288]. I advised that SSP is not a devolved matter and, we would not be changing the SSP regulations to accommodate different policy decisions on tracking and tracing in Wales. It was a matter for the Northern Ireland government to decide what to do on social security benefits in Northern Ireland [TC/24 - INQ000655289].
49. In July 2020 the SSP regulations were updated to reflect changes to public health advice around shielding at the time, ensuring that those self-isolating in-line with this advice remained eligible to receive SSP. There were also some minor policy changes made to ensure SSP eligibility in certain other circumstances was in line with the original policy intent. The submission is at [TC/25 - INQ000653753; TC/26 - INQ000653752]. I agreed to these changes.

50. On 24 February 2022, the Government ended the legal requirement to self-isolate following a positive Covid-19 test, and the Covid-19 provisions in the SSP Regulations which made self-isolating a sufficient condition for SSP were revoked. Other Covid-19 provisions for Statutory Sick Pay expired on 25 March 2022, on the sunseting of the Coronavirus Act 2020.
51. In the run up to, and following, the Prime Minister's announcement of the revocation of the regulations, I raised concerns that the Department for Health and Social Care's public health guidance would continue to advise people to self-isolate, but employees would no longer be entitled to Statutory Sick Pay. I raised these concerns at the Cabinet meeting on 21 February 2022 [TC/27 - INQ000088927] and subsequently wrote to the Prime Minister on 4 March 2022 [TC/28 - INQ000653788]. I sought clarification on:
- 51.1. What the government would advise the public to do in the event of symptom onset or a positive test (i.e would they be told to self-isolate);
- 51.2. The advice that would apply in high-risk settings; and
- 51.3. Whether financial support would be made available to individuals unable to attend work in following such advice.
52. No.10 responded to this guidance via email on 18 March 2022 [TC/29 - INQ000653787]. Effectively advice from No.10 was the with the removal of the legal requirement to self-isolate, guidance around self-isolation would soften encouraging those with symptoms to "try" to stay at home. It effectively reflects a move to treat Covid-19 in the same way as other respiratory illnesses. Advice on these changes, incorporating my steers came up to me on 20 March 2022 [TC/30 - INQ000655290]. I agreed that we should allow the SSP provisions of the Coronavirus Act expire and with repealing the associated regulations with respect to eligibility made during the pandemic [TC/31 - INQ000655291].
53. The decision to revoke the changes to SSP in Northern Ireland was ultimately taken by then Minister for Communities in Northern Ireland.

Comments on SSP changes

54. I considered that the changes made to SSP were necessary to promote compliance with public health advice, and to ease the burden on employers and employees who were required to comply with this advice.

55. I also view the changes to SSP as sufficient, particularly when considering the alternative ways that people could get support. SSP was broadly similar in value to the basic allowance provided under Universal Credit, offering a comparable level of financial support. In practice, many³ employers paid more than the statutory minimum SSP. SSP was only payable for a limited duration.
56. Individuals who experienced a significant drop in income were able to apply for other forms of support, such as UC, which is a dynamic benefit that adjusts based on a claimant's circumstances and income. While it was generally not possible to receive both SSP and Employment and Support Allowance ("ESA") simultaneously, individuals could receive SSP alongside UC, subject to income thresholds.
57. Once SSP entitlement ended, individuals could then apply for ESA, including the 'new style' ESA, which is available to those who meet the relevant National Insurance contribution conditions.
58. Eligibility for ESA is not affected by capital holdings, unlike some income-related benefits. Self-employed people and those with savings over £16,000 could apply for ESA as long as they had paid sufficient National Insurance contributions or received National Insurance credits in recent history. Additional support was also available through other state benefits for individuals on very low incomes. We were working on multiple avenues of support at the same time as well as developing longer term policies.

Decision-making structures

59. HMT, the Department of Health and Social Care and DWP worked together on the design of SSP changes. In my view, the departments worked well together. The main challenge that we faced was the speed at which we were trying to get policy over the line. It is important to be understand that, particularly at the outset of the pandemic, policy was being developed with urgency at considerable pace. Normal policy making procedures were accelerated by much more extensive informal exchanges such as conversations and email exchanges. Subject to this acceleration the usual process of preparation of submissions (signed off by senior civil

³ Internal DWP data suggests that about 50% of employers paid more than the statutory minimum SPP [TC/32 – [Sickness absence and health in the workplace: understanding employer behaviour and practice](#)].

servants) continued throughout the pandemic and decisions continued to be recorded in responses to submissions or in meeting readouts.

Stakeholder consultation

60. Other ministers within the DWP led on stakeholder engagement covering their portfolio of policy areas, I have no reason to think this is any different in relation to SSP. They would feedback insights from these engagements into their meetings with me and through the private office system. Responsibility for stakeholder engagement was generally delegated to ministers who were closer to the relevant issues, and this feedback process informed the development of departmental policy.
61. I did attend round tables with other ministers, particularly those organised by other departments such as Department for Business, Energy and Industrial Strategy. The purpose of these roundtables was to hear directly from industry representatives⁴ on a range of Covid-19 related issues (including SSP). In addition to these larger meetings, I held a number of smaller focus groups with business leaders which gave me the opportunity to meet directly with stakeholders⁵.
62. I also received letters from a variety of organisations, outlining concerns and providing feedback on SSP (see for example an email from the Director of Kidney Care UK dated 23 December 2020 [TC/33 - INQ000655292]. It was not possible for me to personally review all of these and they were typically handled by my private office, the relevant minister, or the appropriate civil servant within their team who would be closer to a particular portfolio (see the DWP response to Kidney Care UK from the Minister for Disabled People, Health and Work dated 20 January 2021 [TC/34 INQ000655293]; and [TC/35 INQ000655294]. I relied on my ministers to feed up key issues to me as appropriate.

Implementation and Delivery

63. It was clear that the powers provided by the Social Security Contributions and Benefits Act 1992 would not be sufficient to deliver the Government's SSP economic policy objectives to remove waiting days and to introduce a rebate for employers for coronavirus-related sickness absences. DWP policy therefore worked rapidly with the Department of Health and Social

⁴ I recall speaking to Frances O'Grady, the general secretary of the TUC.

⁵ I cannot now recall whether SSP specifically was discussed at these smaller focus groups.

Care's Bill Team to secure agreement to include SSP related provisions in the Coronavirus Act 2020. Secondary legislation was also used.

64. DWP led on all the policy and Bill products for the SSP specific clauses. This included, instructing the Office of the Parliamentary Counsel to draft the clauses and working closely with the Department for Communities in Northern Ireland to include mirroring provisions in the Coronavirus Act 2020. DWP also led on briefing the Department of Health and Social Care's Ministers about the SSP clauses to support the passage of the Coronavirus Bill. I considered this the appropriate means of implementing changes to SSP because the changes required primary legislation. While this did allow changes to be made quickly, some of these changes had to be made retrospectively because of the speed at which changes were required. The PM announced policy changes at the time the policy decision was made but the legislation still had to be changed where required, and as such certain changes had to be retrospective. For example, SSP was paid from the date of the Prime Minister's announcement which predated the passing of the legislation and required the agreement of the Attorney General.

Public Communication

65. Steps were taken across government (with input from DWP) to ensure that the public were made aware of the eligibility changes to SSP. These included:

67.1 Prime Minister's announcement at Prime Minister's Questions 4 March 2020;

67.2 The Chancellor's Budget Speech on 11 March 2020;

67.3 Updated guidance on Gov UK for employers and employees;

67.4 HM Revenue & Customs Bulletin(s) for employers; and

67.5 Inclusion of information about the availability of financial support in letters issued by the Department of Health and Social Care to the clinically extremely vulnerable to shield.

66. This was not something in which I was directly involved, though I, and other Ministers, saw insight from the pulse survey undertaken with employers [TC/36 – INQ000658281].⁶ The

⁶ <https://www.gov.uk/government/publications/dwp-covid-19-employer-pulse-survey-final-report/dwp-covid-19-employer-pulse-survey-final-report>

Covid-19 Employer Pulse Survey was designed to help government understand how employers were supporting and managing the health of their workforce, how they were engaging with government schemes and guidance, and whether they altered certain business practices in response to the Covid-19 pandemic. Interviews were conducted with employers across Great Britain over the three waves of fieldwork, between 17th June 2020 and 8th April 2021. The survey covered the following areas:

- 66.1. Workforce management during Covid-19, particularly in relation to sick, vulnerable, shielding, and/or self-isolating employees;
 - 66.2. Awareness and use of the Statutory Sick Pay Rebate Scheme;
 - 66.3. Changes to certification for sickness absence due to Covid-19;
 - 66.4. Use of Occupational Health services in relation to Covid-19;
 - 66.5. Changes to workplaces or processes in response to Covid-19;
 - 66.6. Changes in employer pension contributions due to Covid-19;
 - 66.7. Plans for future recruitment/redundancies; and
 - 66.8. Employer awareness and engagement in Government policies and schemes.
67. There was also communication with some membership bodies, including organisations like the Federation for Small Businesses and the British Chamber of Commerce.

Fraud

68. The risk of Fraud with respect to the SSP scheme was estimated to be low as employers would directly be responsible for paying their employees. The risk of fraud on the rebate scheme was also considered and I deal with this later in this statement (see below paragraphs 80 - 81).

Monitoring and Evaluation

69. DWP undertook no formal monitoring of the delivery and impact of the various changes to SSP, because SSP is paid by employers to employees. HM Revenue and Customs is the body that oversees SSP compliance and investigates any potential issues.

70. The Inquiry should note that in making changes to SSP, we were always mindful of public health advice coming from public health organisations or Chief Medical Officers and advice or policies were always given in line with that guidance.

Reflections

71. There has been plenty of discussion and consultation⁷ around SSP and a green paper was subsequently prepared. My successor then put out a white paper which included SSP. The current government is making changes to the SSP through the employment rights bill. In my view key to our response was being flexible with SSP to tie it to the public health element of the response. We made adjustments to align SSP with public health guidance to ensure there was cover to support the ability of the public and employers to adhere to public health guidance. This is true more widely of DWP's Covid-19 response. We aimed to ensure that no matter what your situation was, if you had to comply with public health guidance with respect to Covid-19 you would have access to some form of support.

72. DWP support was tailored to what was required for this pandemic, in line with Public Health guidance, it is hard to say whether these same changes would be appropriate in a further pandemic. Future changes will need to be tied to public health guidance specific to the disease being dealt with.

73. As the pandemic progressed we changed the law on a number of occasions to reflect the latest guidance and policy changes. The key challenge for us was the pace of policy change. The situation was novel and evolving quickly and we had to work at speed to keep up. Overall, I believe the system did work well in the circumstances and I do not think there is not much that I would have done differently.

74. In my view the SSP changes ended at the right time, in line with other interventions across government ending.

Part E: Statutory Sick Pay Rebate Scheme (SSPR)

Key Decisions on the establishment of SSPR

⁷ [TC/37 – INQ000192238]

75. As set out at paragraph 35 above, in early March 2020 changes were proposed to broaden eligibility criteria for SSP. The proposed broader eligibility criteria and increased incidence of sickness due to the pandemic were likely to have a significant financial impact on businesses. To mitigate this financial impact, a rebate scheme was proposed to enable the government to refund businesses for the cost of SSP. The initiative for the rebate scheme had been discussed by the Prime Minister and the Chancellor. In its design, DWP officials worked with HMT and HM Revenue and Customs. Although SSP policy was owned by DWP, key decisions regarding the eligibility criteria for the SSPR scheme and the two-week restriction were led by HMT and HM Revenue and Customs. DWP policy officials provided information and feedback to HMT and HM Revenue and Customs to inform their decisions, and I was asked to provide my views **[TC/06 – IMG-20200303]**.
76. On 6 March 2020, as described at paragraph 37 above, I received the submission on initial SSP changes. This included a recommendation for the refunding of the costs of SSP for small-medium enterprises **[TC/07 - INQ000592912]**. The submission recommended that I proceed with the development of a rebate scheme available to employers with 250 or fewer employees and limited to two weeks of SSP. The decision to limit the rebate to a maximum of two weeks per employee reflected the 14-day maximum period of self-isolation both in public health guidance and in the legal duty to self-isolate, meaning that the rebate would cover the maximum duration for which an individual was likely to be required to self-isolate.
77. I agreed with these recommendations **[TC/08 - INQ000653746]**. On 5 May 2020, I received a further submission asking for my concurrence for HM Revenue and Customs to lay regulations for the introduction of the rebate scheme **[TC/38 - INQ000655295; TC/39 - INQ000655296]**. I gave my concurrence on the same day.
78. It was anticipated that larger businesses would be better resourced to absorb the increased costs associated with SSP than small and medium enterprises. This distinction in economic intervention was not unique to the rebate scheme and reflected a broader, commonly adopted approach. Small and medium enterprises generally require more targeted support than larger companies
79. It was right to provide targeted support to small and medium enterprises. Initially the cost of the rebate scheme was estimated at £3 billion **[TC/07 – INQ000592912]** if targeted to those with 250 or fewer employees. This estimate was later updated to £2.2 billion, this being the upper bound costing on the assumption of 100% of SME employees taking the rebate, this

was revised down to £1.1 billion as the central costing [TC/38 - INQ000655295]⁸. This is a substantial amount of money put towards helping small business managing the costs of their employees being sick. Extending the scheme to larger businesses or beyond the initial two-week period would have significantly increased the costs. It was recognised that larger businesses were more likely than small and medium enterprises to operate contractual sick pay schemes under which they paid their employees more than the statutory minimum SSP rate. The SSPR was not expected to make as much difference to the larger businesses as it did to the small and medium enterprises because the rebate would have covered a much smaller fraction of their total sick pay costs. On the other hand, extending the scheme to larger business was expected to cost the taxpayer billions of pounds. The same would be said of extending SSPR beyond two weeks. The cost to the taxpayer would have significantly increased, we felt that the two weeks being offered was a sufficiently generous contribution.

80. Only businesses with PAYE schemes which had been in existence prior to 29 February 2020 were eligible to claim a rebate. This criteria was set up to prevent fraudulent claims and to ensure the scheme only targeted genuine employers. I understand there were further checks to mitigate against fraud to satisfy the Accounting Officer as HM Revenue and Customs had initially suggested that fraud could be high.
81. The Inquiry has asked about my discussion with the DWP Permanent Secretary about the Accounting Officer risks of SSPR. I do not recall this discussion. As the Accounting Officer, the Permanent Secretary would have satisfied himself that the risks related to SSPR were acceptable. My understanding is that he was content that the level of risk was satisfactory after HM Revenue and Customs had made certain changes to their process. I do not recall and cannot locate correspondence suggesting that the risks were raised with me and or that a ministerial direction was required from me, which would be the practice if we were to proceed in a situation where the risk was unsatisfactory. I certainly did not issue a ministerial direction.
82. On 2 August 2021 I received a submission recommending that I extend the SSPR scheme for a further 6 months, effectively until the expiry of the Coronavirus Act in March 2022 [TC/40 - INQ000653763]. I had already agreed, with HMT consent, to extend the rebate scheme until September 2021. HMT officials were also going to recommend an extension to the Chancellor. However, I had already indicated that I would be content to close the rebate in line with other changes. As a consequence, and not persuaded by the advice from officials, I disagreed with this recommendation and instructed for the SSPR to be closed [TC/41 - INQ000653764]. DWP

⁸ The cost of the scheme turned out to be much less than this. As at 25 July 2021 £70 million of £85 million funding allocated to the scheme had been used [TC/40 - INQ000653763 ?].

did not make any request to HMT for the scheme to be extended but put forward the recommendation for HM Revenue and Customs to close down the scheme.

83. At this stage my focus had shifted to other schemes aimed at getting people back to work, which was in line with wider DWP and government policy (including the end of the temporary UC uplift). It is important to understand that this was at a point where vaccination rates were high and consequently transmission rates were falling. Fully vaccinated adults were also no longer required to self-isolate if they were a close contact of a positive Covid-19 case, and it was anticipated that this change to the public health guidance would reduce the financial cost on employers paying SSP.
84. A Public Sector Equality Duty Analysis was undertaken in relation to the proposed closure **[TC/42 - INQ000655298]**. Of significance, the analysis noted in relation to the closure of SSPR that *“any negative differential impacts on the basis of protected characteristics will be minimal and are therefore justified and a proportionate response towards meeting the objective of a gradual return to the normal functioning of the SSP system.”*
85. The position changed with the outbreak of the much more transmissible omicron variant. On 21 December 2021, as part of the support package to help businesses impacted by the Omicron variant, the SSPR scheme was reintroduced. Eligible employers were once again able to claim up to two weeks of SSP per employee for Covid-related absences. I discussed and agreed this decision with the Chancellor **[TC/43 - INQ000626346]**. It made sense to reintroduce measures to financially support businesses and allow people to stay at home to prevent the spread of the new variant.
86. The SSPR Scheme was finally closed on 24 March 2022, following the launch of the government’s Living with Covid strategy in February 2022. I took the decision, to close the scheme, and I was aware at the time that Chancellor agreed with me that the scheme ought to close **[TC/44 - INQ000653786]**. It recognised that by this point most adults in the UK were fully vaccinated and were no longer required to self-isolate due to Covid-19, meaning the financial cost to employers of paying SSP was significantly reduced. The legislation to close the rebate scheme was laid before Parliament on 24 February 2022. This aligned with the closure of most other Covid-19 specific support packages and in my view, it was the appropriate time to end the SSPR.
87. The decision-making structure was as set out in the second half of paragraph 59.

Policy Design

88. The policy objective of the SSPR scheme was to provide temporary financial support to small and medium sized employers impacted by the increased cost of SSP relating to the Covid-19 pandemic [TC/45 - INQ000653792]. Specifically, the scheme aimed to reimburse SMEs for the cost of up to two weeks of SSP per employee for Covid-19 related absences.
89. This measure was designed in collaboration between DWP, HMT and HM Revenue and Customs, and was informed by concurrent Public Health England isolation guidance. As set out at paragraph 78 above I considered that the measures (along with changes made to SSP) were necessary to promote compliance with public health advice, and to ease the burden on employers and employees who were required to comply with this advice.
90. As set out above at paragraph 60 other ministers within DWP were primarily responsible for stakeholder engagement covering their portfolio of policy areas. They would feed back insights from these engagements into their meetings with me and through the private office system.
91. The Inquiry has asked me several questions about the extent to which Long Covid was taken into account when making key decisions and designing policy in relation to SSP and SSPR, and whether there was adequate consideration of the risks of Long Covid. Long Covid emerged as a new challenge many months after DWP had introduced the temporary Covid-19 SSP and SSPR provisions at the beginning of the pandemic. As the initial research into Long Covid commenced and progressed, DWP continued to monitor and consider the UK Government's support provisions and approach in line with the emerging evidence at the time. Where people could not work due to symptoms of Long Covid, financial support was available through SSP, Universal Credit, Employment Support Allowance ("ESA") or the pension credit, depending on individual circumstances. We worked hard to ensure that the support of some form was available across the public sphere.

Implementation and Delivery

92. HM Revenue and Customs was responsible for the setting up and operating of the SSPR scheme, including ensuring that payments were made in a timely manner to employers who qualified to receive the payment. The cost of this creation was the responsibility of DWP - DWP funded HM Revenue and Customs to set up and run the SSPR, but payments made to employers who claimed from the SSPR were made by HM Revenue and Customs. See [TC/46 - INQ000653842; TC/45 - INQ000653792] for further details on how HM Revenue and

Customs operated the SSPR scheme, how employers engaged with it, and how it was publicised.

Monitoring and Evaluation

93. I am not aware of any formal monitoring of SSP or the SSPR was undertaken by DWP, though employer surveys were undertaken (including the pulse survey which is set out at paragraph 66 above).
94. As set out above at paragraph 79, initial estimates had the cost of SSPR reaching as high as between £2.2 and £3 billion [TC/07 – INQ000592912]. The actual cost was closer to £100 million. In my view that suggests the scheme was cost effective, particularly when accounting for its indirect benefits such as supporting public compliance with self-isolation guidance, contributing to business continuity by helping small and medium enterprises manage workforce absences. As such, the scheme supported broader policy aims than just the provision of financial relief.

Reflections

95. I consider that the SSPR scheme was effective and well executed. The scheme provided essential financial support to employers, at a time when business continuity was severely impacted by staff illness and mandatory self-isolation. The scheme allowed businesses to support their employee's compliance with government guidance, reducing the risk of workplace transmission. In my view, it was a proportionate response and effectively supported both employers and the wider public health effort. The objective of the scheme was to assist employers and employees to comply with public health requirements without facing the full financial burden. In 2023 there were over 16 million people working in small and medium enterprises. From 26 May 2020 to 31 December 2021 the SSPR scheme paid out costs to 124,000 employers relating to 675 000 employees. DWP did not measure compliance with public health measures, so I cannot say how the scheme helped overall. That said, I do think a similar scheme would have value in a future pandemic, providing a safety net for potentially vulnerable small and medium enterprises.

Part F: Changes to Universal Credit and Working Tax Credit

96. Universal Credit ("UC") was introduced to replace six benefits, referred to as legacy benefits, as the primary support for people on low incomes. The six legacy benefits it replaced were

income support, housing benefit, income-based Job Seekers' allowance, income-related Employment and Support Allowance, child tax credit and working tax credit. UC is a dynamic benefit that can be paid to people in and out of work.

97. Being a dynamic benefit which adjusts, linked to the household income, each month, UC's design helped to increase benefits to families when their incomes fell. The UC IT architecture that was developed to administer the benefit payments was far more sophisticated, agile and robust than was what used for legacy benefits. However, it did require significant coding to enact policy changes and for appropriate testing to occur. This could take weeks or months unless it was a straightforward change, such as a change to the value of an allowance rate. The UC IT infrastructure and servers also only had a certain amount of capacity, which had to be expanded during the first month of the pandemic. To the credit of DWP civil servants, the UC system worked and did not fall over.
98. For new UC applicants with capital savings, they could find themselves ineligible for UC if they had savings over £16,000. The benefit itself would also be reduced for savings over £6,000. Other benefits were available for people who had paid sufficient national insurance contributions, including new-style Jobseeker's Allowance ("JSA"), just as had been the case for new-style Employment Support Allowance.
99. In 2020, certain policy changes were made to UC in March, including the £20 uplift on the standard allowance, the Local Housing Allowance rates and the suspension of the Minimum Income Floor. The Prime Minister was the ultimate decision-maker on policies and was supported by the Chancellor and me. A key focus for us at the start of the pandemic was working on how to get support to people, particularly those new to the benefits system, easily and rapidly without needing sophisticated adjustments or big IT changes. We recognised the potentially significant changes in income they were facing, due to circumstances beyond their control, and wanted to get support to them as quickly as we could.
100. At the same time, HMT developed and announced the Coronavirus Job Retention Scheme (furlough) and the Self-Employment Income Scheme. The government also established a £500M hardship fund, primarily for council tax relief.
101. Tax credits had always been an HMT policy and were administered by HM Revenue and Customs. Though tax credit recipients could voluntarily move to UC at any point, recipients would need to consider the capital savings threshold which did not apply for tax credits and

once moved to UC, they could not go back to tax credits, even if worse off, albeit it was DWP analysis that two-thirds of tax credit recipients would be better off on UC.

102. While the changes made to UC in 2020 provided substantial help to people, these changes were part of a greater overall support package to help families considered to be the most vulnerable throughout the pandemic.
103. Later, other grants were created to help with cost of living, including the Covid Winter Grant which continued as the Covid Local Support Grant and later, the Household Support Fund, the Cost of Living payments, extension of the Holiday and Activity Programme, increases to the Healthy Start Scheme, and in the 2021 Autumn Budget, increase to the work allowance and reduction of the taper rate on UC. The Cost-of-Living Payments alone were forecast to cost £8.8 billion, out of an estimated £15.3 billion for the total cost of living support package announced in May 2022. This last grant reflected challenges particularly on inflation due to post-pandemic shocks to the economy and the impact of Russia's illegal invasion of Ukraine on energy prices.

Key Decisions

The decisions to make temporary easement to UC processes

104. In order to manage the claims and compliance with public health guidance, temporary changes to regulations, processes and procedures (known as “easements”) were introduced for a variety of benefits. Over a hundred easements were in place by the end of May 2020. In addition to UC, these included various health related benefits like Personal Independence Payment and Access to Work.
105. Throughout this time, formal decision-making was made by ministers, albeit in an accelerated process (see paragraph 59 above), relying on submissions and meetings before approval, or not, being given by ministers. As Secretary of State, I would have the final say. As is also normal, clearances would usually need to be sought from HMT for new policies or changes in policy that would require extra direct funding or expect to cost significantly higher.
106. Multiple easements were initially introduced for three months and re-considered for extension, re-introduction or ending at various points during the next two years. These were usually proposed by officials through submissions, considered by ministers and approved, or not, by me.

107. As an example not directly related to UC following the recommendation of officials and after careful consideration of the emerging situation, I agreed in early March that claimants of health benefits who were self-isolating would not need to attend face to face assessments, recognising the higher risk to health [TC/47 - INQ000658307; TC/08 - INQ000653746]. Assessments for existing claimants who were seeking to extend their benefit would be re-booked and payments would continue until the next opportunity for a re-assessment. For new claimants, it was agreed that payments would not take place until after an assessment, but payments would be backdated to the date of claim, so that successful claimants would not lose out financially. Later, with the changes in public health guidelines, all face-to-face assessments for health benefits were suspended.
108. At the onset of the pandemic, DWP anticipated and subsequently faced an unprecedented surge in UC claims and the need to protect public health. We had to consider two types of claimant - existing claimants and new claimants. For new claimants, the usual process of claiming UC is to complete a claim online, have a phone appointment to complete that process including initial identity verification and to then attend an appointment in the job centre with a work coach.
109. The department rapidly introduced temporary changes (“easements”) to the process of claiming UC with the goal of ensuring new claimants could access support quickly and safely. A number of these easements were described in my communication to Ministers (known as a “Dear Colleague” letter) dated 27 March 2020 [TC/48 - INQ000658205]. The objectives of the easements included to maintain benefit payments and protect vulnerable people, to manage the surge in new claims while adhering to public health guidance and to reduce administrative burdens and allow for processing of the claims. They included the following:
- 109.1. Suspension of the requirement for face-face appointments
 - 109.2. Disapplying conditionality and sanctions accordingly
 - 109.3. Relaxing the application of the Minimum Income Floor
110. Some of the easements needed new regulations; others were possible to deploy within existing powers and changing guidance. Over the course of the pandemic, ministers would agree regulations as appropriate.

111. The first easement decision to suspend the Minimum Income Floor for self-employed people who claimed UC was taken ahead of the 11th March Budget. This was a straightforward decision, recognising that claimants' economic opportunities would likely be highly constrained so we could not expect claimants to be penalised financially.
112. The easements in respect of the requirement for benefit claimants to attend face-to face appointments were as follows:
- 112.1. Arrangements came into effect on 17 March 2020 for customers to make their initial UC Claim and be able to request an advance by telephone. These changes were for those who were experiencing Covid-19 or required to isolate.
- 112.2. From 19th March, attendance in job centres for appointments was no longer required.
- 112.3. From 24th March 2020, all face-to-face mandatory requirements, including weekly and fortnightly signing were suspended. For UC and JSA claimants these were replaced with digital and/or telephone engagement. All job centres while operational were effectively closed to the public, with the exception of our most vulnerable claimants who would not be able to access benefits without support. The suspension was for an initial period of 3 months.

I set out my involvement in the above easements below, with a focus on Universal Credit.

113. In the course of preparing this statement, my legal advisers have shown me documents **[TC/50 - INQ000658199]** and **[TC/51 - INQ000658197]** which disclose that, on Friday 6 March 2020, there was correspondence between officials from DWP and HMT concerning whether various measures could be announced in the budget on Wednesday 11 March 2020. The proposed measures included that for those new claimants who had Covid-19 or were self-isolating, UC claims, including advances, will be able to be accessed without going into a jobcentre and relaxation of the Minimum Income Floor for Self Employed UC Claimants.
114. On Monday 16 March the government issued advice to stop non-essential contact, any unnecessary social contact, and to stop all unnecessary travel.
115. On 17 March 2020 I received a submission **[TC/52 - INQ000658308]** regarding Covid 19- Suspending Face to Face Requirements. This submission proposed, from 18th March,

suspending all mandatory face-to-face checks for all UC claimants (i.e. beyond just claimants who were self-isolating or sick, and health checks) including replacing weekly/fortnightly work search signing requirements with digital and telephone check, and also suspending face to face verification of identity for new UC claimants. The submission recommended that DWP should:

115.1. Suspend face to face mandatory requirements including weekly and fortnightly signing. Replace face to face engagement with digital and/or telephone engagement for UC and JSA claimants.

115.2. Retain the face to face channel for the most vulnerable customers who could not access services online or by phone.

115.3. Implement these changes initially for a 3-month period and consider after 3 months whether extension was necessary.

115.4. Come back with further advice on whether to also further suspend conditionality and the sanctions regime.

116. The submission also noted at paragraph 16 that removing face-to-face contact will remove a key counter-fraud control in terms of identity verification, would lead to significant increases in fraudulent claims, and particularly targeting by Serious and Organised Crime. Controls and checks around other evidence verification would also be weakened. The submission recorded that potential Annually Managed Expenditure losses were hard to estimate but expected to be around £1 billion per year. The changes recommended in the submission would require approval for HM Treasury ministers in light of the Annually Managed Expenditure risk, officials in the DWP and HM Treasury had already discussed this, and HM Treasury ministers were expected to be supportive.

117. The submission, in paragraph 11, noted that the Permanent Secretary, being the accounting officer, had already received advice on face-to-face verification. The fraud risk identified at paragraph 16 of the submission related to checking identity and other evidence of entitlement to benefit (rather than the weekly or fortnightly signing). Reducing face to face work-search requirements (the weekly or fortnightly signing) was also expected to give rise to an Annually Managed Expenditure risk, because it could mean that claimants were out of work for longer, but this risk was estimated to be much lower (closer to zero than £85 million).

118. In the course of preparing this statement, my legal advisers have shown me emails [TC/53 - INQ000658200] and [TC/54 - INQ000658201] which records that I discussed the submission with my Private Secretary on 17 March, and that I wanted more time to consider before going ahead with the proposals in the submission. I was also in a COBR meeting that afternoon. I was concerned about shutting every job centre down when it was not in line with the other parts of government advice. At this stage, the public health advice was to avoid non-essential contact and travel, but advice to stay at home was not given until 23 March 2020. Even schools were being kept open for children of key workers and the announcement of schools closing for other children was not made until 18 March 2020. I was also concerned about the fraud risk referred to in paragraph 16 of the submission. I recall a meeting occurring on or around 18 March 2020 involving several officials to discuss the submission. I said that I was not content at that point to give approval to the submission. Both I and my legal team have searched for a readout from this meeting but we have been unable to locate it. I was most concerned about the £1 Billion risk identified in the submission. Further work was then done overnight. On the morning of 19 March 2020 I had still not given my approval, as can be seen from official discussions in [TC/55a – INQ000658344]. Although I have not been able to find the advice provided to me on 19 March 2020, I do recall having a discussion with the Permanent Secretary in which he told me that the fraud level had been reassessed. Ultimately I was given further assurance by the Permanent Secretary as Accounting Officer and the proposed changes went ahead.

119. I continued to be very conscious of the risks of fraud on UC advances as a result of removal of face-to-face checks and, was keen as reinstate face to face checks as soon as public health restrictions allowed. I was clear by no later than April 2021 that I wanted to take steps start reinstating face to face verification [TC/55b - INQ000658347]. I deal further with winding back of easements made as part of the pandemic response, including reinstatement of face-to-face checks at paragraphs 128 - 129 below.

Conditionality and Sanctions

120. On 23 March 2020 my office received a submission [TC/55c - INQ000658339] [TC/55 - INQ000658312]; [TC/56 - INQ000658203]⁹ proposing that DWP should disapply conditionality and related sanctions, initially for a 3-month period, to be considered further at the end of 3 months. The proposed changes would require a change to the regulations and would also require agreement of HMT because the changes both carried an Annually Managed

⁹ This email refers to a minor amendment to the submission, my legal team have not been able to locate the amended submission.

Expenditure risk and under a previous Spending Review settlement, any changes in conditionality would also need to be agreed. The Annually Managed Expenditure risk was said to be difficult to estimate precisely but it was thought that suspending conditionality would cost around £2 million (i.e. the value of sanctions) but the costs incurred as a result of claimants being on benefits for longer were thought to be low in light of the state of the economy (movements into work were diminishing). I agreed the same day to suspend (for 3 months) conditionality and related sanctions in UC, new Style JSA and JSA. The suspension was to be reviewed as required [TC/56 - INQ000658203]. Agreement was also given by HMT.

121. The rationale for the decision was that:

121.1. DWP was experiencing significant increases in new claims, particularly on UC and New Style JSA and ESA. New claims for UC had risen from 10,000 on 11 March to 48,000 on 19 March. DWP was experiencing high numbers of telephone calls: 127,000 on 19 March against an expected 68,000. At the same time, there was a high level of staff absence. The changes were needed in order to free up staff to keep DWP core services running, including making timely payments to customers.

121.2. At the relevant time, claimants in the all-work related requirements group were required to carry out all reasonable work search (for up to 35 hours per week) and to be available for work. Compliance with these requirements was normally checked at weekly or fortnightly interviews with each claimant. Recognising that we had effectively closed the job centres, clearly face to face was no longer an option. As Secretary of State I had power to change the method of interview to telephone interviews or online journal, however DWP were finding it difficult to cope with the number of calls they had already and this would be made worse if the telephone system was also being used to conduct full conditionality interviews.

121.3. Suspending conditionality requirements would allow Job Centre officials to focus on claim processing and payment activities and to have some capacity to support the most vulnerable customers and keep the system running.

Waiving the Claimant Commitment

122. On 26 March 2020 my office received a further recommendation [TC/57 - INQ000658206] that proposed I temporarily waive the Claimant Commitment, which was a condition of entitlement for UC, JSA, new style JSA and new style ESA. The claimant commitment was a key part of UC in setting out detailed expectations on work searching to be done by the claimant in return

for receiving UC. The plan was to re-instate the claimant commitment at the same as face-to-face appointments and conditionality.

123. I agreed to the proposed measures and decided to disapply the Claimant Commitment and conditionality and related sanctions for UC, new Style JSA and JSA for an initial 3-month period **[TC/57 - INQ000658206]**.

124. The rationale for the recommendation and decision was that:

124.1. I had already decided to suspend conditionality for 3 months (i.e. benefits would be paid whether or not the claimants complied with the claimant commitment).

124.2. It made sense also to suspend the making of a claimant commitment for the same reasons as had already been determined on conditionality.

124.3. In circumstances where benefits were no longer conditional on meeting the claimant commitment, the requirement to accept the claimant commitment was an unnecessary burden on DWP Operations.

124.4. There should be consistency across all benefits, both for policy consistency and in relation to relieving pressure on operations.

124.5. The changes could be achieved through operational guidance without any further legislative changes.

125. Around this time, easements to benefits other than UC were presented and agreed to help enable officials to focus on processing new UC and ESA claims. As an example, this included submission **[TC/58 - INQ000658202]** recommending that DWP should automate all payments to existing JSA claimants as advances without attending the job centre, as was the practice every year in the Christmas period. JSA benefit recipients were usually long-standing claimants who would receive fixed payments fortnightly. The financial risk was negligible.

126. Following Public Health England's advice in March 2020 in response to the start of the pandemic, people were required to self-isolate and stay at home. This resulted in a surge in demand for UC claims as in some cases, people were unable to work because of the requirement to stay at home. At the peak, there were over 100 000 UC claims a day. We had already made some adjustments on face to face verification. Claimants were expected to use the government's Verify system, run by the Cabinet Office, which at times struggled with the

numbers of people trying to secure verification. After discussion at a daily meeting regarding some of these issues, senior officials suggested a further easement to make sure ensure new UC claimants received payments in a timely fashion and avoided failing into financial hardship, and I received a recommendation to introduce a temporary failsafe to protect UC payments. The concern was that not all new claims would be verified in order to allow for payment on time by the end of their assessment period, and the financial uncertainty caused by delay in processing claims would mean that UC applicants would not adhere to government instructions to self-isolate and socially distance (as they would have to leave home to seek support). This had to be balanced against concerns about fraud, and we knew that some low level attempts on fraud had already been observed by work coaches. The failsafe approach involved slimming down the initial evidence verification for UC eligibility so that UC applications could be processed on time, unblocking any outstanding checks that would normally have to be satisfied. I received a submission on the failsafe on 27 March 2020 [TC/59 - INQ000658342] and on 30 March 2020 I confirmed that I was content to proceed with the recommendation, subject to checking, within 3 months, any claims which went through the more streamlined process proposed, particularly focusing on those who were receiving advances [TC/60 - INQ000658343].

127. Another example of an easement designed to free up the DWP workforce was to stop the issuing of National Insurance Numbers [NINOs] to new applicants, which was largely people entering the country to work. Without a face to face verification, recognising the risk of fraud with the broader value of holding a National Insurance Numbers , it was agreed to suspend this. Having a National Insurance Numbers is not a legal requirement to start a job, it was expected that the number seeking would be small and the principal disadvantage was that emergency tax code would likely be applied.
128. These and other easements were regularly reconsidered, usually at three month intervals. Job centres gradually started re-opening to claimants in July 2020. They were subsequently, operated, closed and re-opened, as appropriate in compliance with public health guidelines applying in different parts of Great Britain. New, temporary job centres were also established to accommodate both the new number of claimants and the social distancing requirements.
129. It took quite a long time to unwind all the easements and get back to business as usual on all fronts and I was still pressing hard in 2022 to achieve that. As well as our broader need to help people back into work, I was particularly concerned about fraud. We had only recently started requiring face to face interviews in order to secure an advance, recognising the large amount of fraud. The National Audit Office published its report on UC advances fraud on 20 March

2020. That wider consideration informed my thinking on the need to keep easements for as short a time as possible, while also considering the practicalities of keeping DWP running for the sake of benefit recipients.

The decision to introduce an uplift to Universal Credit from April 2020

130. On 20 March 2020, the Chancellor announced a temporary £20 per week increase to the UC standard allowance, effective from April 2020, as part of the emergency response to Covid-19. This was also the first time since 2015 that all benefits were benefiting from a slight uplift.
131. Prior to this announcement, officials in DWP were looking at options for aligning the SSP, UC and ESA rates. An initial submission recommending the blanket increase to UC was provided on or around 18 March 2020. It noted the difficulty in aligning the various benefit rates (ESA, SSP and UC). Part of the issue was the inability to increase ESA rates prior to April 2021. In looking at a targeted approach to aligning the rates, work arounds were explored. See the email chain at **[TC/61 - INQ000653740]** for details. Effectively, we considered putting ESA claimants into different ESA groups/categories to increase the ESA rate. The equivalent UC group would be limited capability for work related activity (“LCWRA”) group. This would give claimants similar uplifts. I was initially more attracted to this targeted approach to the UC uplift, noting that the discrepancy between ESA payments and UC was small **[TC/61 - INQ000653740]**. However, it transpired that the numbers given in the initial submission were incorrect **[TC/62 - INQ000658503; TC/63 - INQ000658311]**. Additionally, alignment would require an uplift to SSP, which would impact on employers. A more targeted approach would also have put a lot more strain on the departments systems and resources. For example, officials considered the possibility of using the LCWRA process to target higher rates of allowance for people affected by Covid-19. However, this would require a lot of manual intervention by UC agents at job centres **[TC/63 - INQ000658311]** and so was not seen as a feasible approach, particularly in the context this Pandemic.
132. Ultimately, I decided that a blanket £20 uplift would be appropriate. It would also effectively align the UC rate with the SSP rate.
133. On 25 March 2020 I received a submission requesting my approval to make and lay the regulations to give effect to measures including the uplift **[TC/64 - INQ000592915]**. I gave my approval to lay these **[TC/65 - INQ000658313]**.

134. The rationale for the uplift was to assist people experiencing increased economic hardship due to the pandemic. The uplift was intended to support those who faced the most significant financial disruption due to the pandemic, in particular those who lost or were at risk of losing, employment or significant earnings and were making a new benefit claim for the first time.

Discussions on whether to make the uplift permanent and the decision in March 2021 to extend the UC uplift for a further 6 months

135. In September 2020, addressing poverty was one of the five departmental priorities set for me and DWP by the Prime Minister and Cabinet Secretary. On 25 September 2020, I wrote a detailed letter to the Prime Minister outlining DWP's proposals on tackling poverty [TC/66 - INQ000658238]. In the previous year, we stood on a manifesto which promised to improve the lives of millions of people, including by lifting people out of poverty, and the department was asked to think about how this could be achieved. Having already submitted a spending review bid focused on employment support, I was mindful that I was due to undertake a benefits uprating exercise shortly in November 2020. In my letter to the Prime Minister, I outlined the policy priorities I would like to pursue to support such an agenda, and this included making the £20 uplift to UC permanent. At the time, my officials estimated this would lift 900,000 individuals, including 350,000 children, out of poverty.

136. Following my initial letter to the Prime Minister, I asked my officials to look into the future of the £20 uplift further as part of the priority to reduce poverty, so that detailed options were ready to be presented to the Prime Minister if required. Knowing that it would be difficult to get agreement to make the uplift permanent and that proportionately, the £20 uplift had helped single people rather than families, I wanted to consider a range of options with a focus on lifting children out of poverty. I had asked for analysis that would show in effect value for money for each option. My private office received a note from officials on 7 October 2020 which summarised the various options available, along with information on projected costs, poverty impacts, risks, deliverability and legislative implications [TC/67 - INQ000657887; TC/68 - INQ000657886].

137. On 9 October 2020, I sent a further letter to the Prime Minister enclosing these options and outlined my recommendation to permanently uplift both the UC standard allowance and the child element by £10 per week each [TC/69 - INQ000653841]. I was of the view that this option struck the right balance between poverty alleviation and projected costs, noting it was projected to cost £2.7 billion less than a permanent £20 uplift and would still lift around 800,000 people out of poverty.

138. On 13 October 2020, No. 10 responded and sought more information to better understand the implications of the proposed options [TC/70 - INQ000658236]. I understand that responses to these queries were produced by my officials urgently [TC/71 - INQ000658323; TC/72 - INQ000658324], and further queries were answered throughout October 2020 [TC/73 - INQ000658237].
139. During this time, I initiated cross-government working regarding tackling poverty and the cost of living focusing on children. As a consequence, the £170 million Covid Winter Grant Scheme was announced on 8th November 2020. This provided money to local authorities to target financial support for food and utility costs to families with children. However, at the same time, there was growing interest from the public and media in the making the uplift permanent.
140. As part of the benefits uprating exercise and wider approach to tackling poverty, on 9 November 2020 I had a bilateral meeting with the Prime Minister to discuss the future of the UC uplift, which was due to end in March 2021. At this meeting, I repeated my recommendation for a £10 permanent uplift to the UC standard allowance and child element. While there would have been a large number of people who would lose out under this proposal, I suggested it was more cost effective than a permanent £20 uplift and would provide more support for families and children. The Prime Minister expressed concern that this option would 'create too many losers and that, politically, the proposal was complex to explain'. He noted that a better approach would be to keep things simple and maintain the £20 uplift if the Government was minded to continue the measures. He confirmed that a decision would need to be made shortly, and that further discussions with the Chancellor would be needed [TC/74 - INQ000592917; TC/75 - INQ000658325].
141. Following this meeting, and ahead of an upcoming trilateral meeting with the Prime Minister and Chancellor, further modelling was carried out for a range of potential options, including making the uplift permanent, a 3--month, 6-month or longer extension, a one-off payment and a withdrawal of the uplift over a period of 12 months. HMT particularly was keen on a one-off payment. The modelling for each option included the projected costs and poverty impacts for each of these options, as well as more general advice on their deliverability [TC/76 - INQ000658243; TC/77 - INQ000653778; TC/78 - INQ000592918; TC/80a - INQ000658346; TC/79 - INQ000658244].
142. Following a review of this modelling and ahead of the trilateral, I subsequently wrote to the Prime Minister on 13 January 2021 outlining that I now thought it was necessary to make the

£20 uplift permanent, with my primary reasoning being that it would ensure hundreds of thousands of people did not fall back into poverty [TC/80 - INQ000658251]. The Prime Minister had already been clear that the mixed approach was not viable so it would be continuing the £20 uplift or nothing.

143. At this time, there was also considerable public and political attention to this policy. Several Conservative MPs and groups had expressed concern about the uplift not continuing. This was being brought somewhat to a head by an Opposition Day debate scheduled for the following Monday, 18th January when it was thought several MPs would vote with the Opposition. In the end, six did.

144. On 15 January 2021, I attended the trilateral meeting with the Prime Minister and the Chancellor to discuss tackling poverty and the future of the UC uplift [TC/81 - INQ000658249]. I explained that I was concerned about the unemployment rate and felt that maintaining the £20 uplift permanently would support our commitment to reducing poverty and moving people onto UC. The Chancellor disagreed with this due to the projected cost. His preference was to spend the money on getting people back into work instead, and for DWP and HMT to work together to develop an option for a one-off payment for UC. The Prime Minister agreed that we should ideally not be putting more money into welfare payments when it could be used to get people back into work. He also noted the projected cost and potential signalling of this, but felt it was not right time to be making cuts. The Prime Minister then asked us to work together with HMT to develop the following 'fully worked options' for consideration:

144.1. a one-off payment;

144.2. a 3 – 6-month extension;

144.3. a 1-year extension;

144.4. a permanent uplift; and

144.5. expand and scale-up of targeted local welfare support.

145. Detailed notes on the above options were subsequently produced by the departments for further consideration [TC/82 - INQ000658327; TC/83 - INQ000658328].

146. As the Chancellor was proposing a potential one-off payment for UC instead of a permanent uplift, my Principal Private Secretary wrote to the offices of the Prime Minister and Chancellor on 25 January 2021 to emphasise the deliverability challenges and risk associated with such an approach [TC/84 - INQ000653780].
147. Following this, on 29 January 2021, I instructed my Principal Private Secretary to again write to the offices of the Prime Minister and Chancellor. This letter outlined my preferred temporary approach for the future of the uplift in the event the Prime Minister wished to introduce a short-term option only. My view was that of the temporary options being explored, extending the uplift by 12 months was the best option by far. Operationally, a 12-month extension would have been straightforward for the Government to deliver, and did not carry the same presentational and risks as the proposed one-off payment [TC/85 - INQ000658253].
148. On 4 February 2021, I attended a further trilateral meeting with the Prime Minister and Chancellor to further discuss the future of the uplift. My legal team have been unable to locate a readout of this meeting. By this point, there had been a lot of speculation in the press and amongst Ministers about the uplift. At the meeting, it was clear that some kind of extension would be authorised by the Prime Minister and there was discussion on extending the uplift by 3, 6 or 12 months. No decision was reached at that meeting.
149. The Inquiry has asked whether I attended a meeting that occurred between the Prime Minister and Chancellor on 8 February 2021. I did not attend this meeting, and it may have been one of their regular bilateral catchups.
150. On 9th February 2021, the House of Commons had its debate and vote on the regulations for the annual increases to benefits to take effect from April 2021. While this did not cover the temporary uplift to UC directly, there was considerable discussion regarding the uplift during the debate.
151. I attended a further trilateral meeting with the Prime Minister and Chancellor on 26 February 2021 to discuss the options and also to discuss jobs. The Budget was on 3rd March 2001 so a decision had to be made. From my recollection, the Prime Minister had concluded that we would extend the uplift by a further 6 months. Both I and my legal team have searched for a readout from this meeting but we have been unable to locate it. The rationale behind this decision was that at the time there was ongoing economic uncertainty and continued public need for greater financial support. Extending the £20 uplift would continue financial support to individuals who have faced the most financial disruption as a result of the Covid-19 pandemic.

152. In the March 2021 budget (3 March 2021), and as agreed with the Prime Minister and the Chancellor, the Government formally announced that the Universal Credit £20 uplift would be extended for a further six months, until 6 October 2021. It also said that it would make a one-off payment of £500 to eligible working tax credit recipients, to be administered by HMRC.
153. I received a 'make and lay' submission on 11 March 2021 which sought ministerial clearance to make and lay the regulations required to implement the temporary extension of the £20 uplift [TC/86 - INQ000658330]. This submission also included an equality analysis [TC/87 - INQ000474825] and explanatory memorandum [TC/88 - INQ000658256]. Will Quince, the Minister for Welfare and Delivery at the time, cleared the submission on my behalf and signed the regulations [TC/89 - INQ000657888].
154. As with the decision to uplift UC initially, the decision to extend the uplift was designed to support those who faced the most significant financial disruption from the pandemic and help them avoid a drop in income, whilst restrictions remained in place. The continued uplift was designed to ensure that UC self-employed claimants were not penalised for not following the social distancing guidelines that were in place at the time.

The decision to remove the UC and WTC uplift from October 2021

155. As planned, the uplift to UC and WTC was removed from October 2021 as part of a wider government plan to phase out temporary pandemic measures. Having gone through the process described above, there were no further changes in the broader economic circumstances and the decision had been made. While lobbying continued for this and other easements to be extended, the uplift like other Covid economic measures was always intended to be only a temporary additional financial support for UC claimants, whilst the pandemic was still causing significant financial disruption.
156. I reviewed and approved a submission dated 28 July 2021 setting out the plan for communicating the end of the uplift to UC claimants [TC/90 - INQ000592920]. To ensure UC claimants were prepared for the end of the uplift, DWP updated claimants' UC statements to indicate in their award calculation that they had been receiving the additional uplift and identified that this uplift would end in October 2021. Journal messages were also sent out to all UC claimants, informing them of the same and providing multiple reminders that the UC uplift would be ending.

157. By the time the uplift was removed, DWP had already increased its focus on to supporting people getting back into work.
158. The Plan for Jobs schemes are described later in this statement and several were already underway. In our Budget bid, I had pressed for further changes to UC, including the increase of the work allowance and an immediate cut in the taper rate to 60%, setting out a longer term taper rate reduction trajectory to 55%. To the credit of the Chancellor, in the Autumn Budget he cut the taper rate from 63p to 55p straightaway, and the Universal Credit work allowances were increased by £500 p.a. to support low income working households. For practically everyone on Universal Credit who was working, these changes had the effect of restoring the £20 uplift and further incentivised getting into work for those on Universal Credit not in work.
159. On 30 August 2021, I received a letter from the Devolved Administrations that expressed concern about the forthcoming expiration of the temporary £20 UC uplift in October 2021 [TC/91 - INQ000282107]. I respected the views that were presented, however, I did not feel that it is was necessary to reconsider the decision to end the £20 uplift in light of these concerns, given our focus on supporting people to find work. In any event, this was a reserved benefit for Great Britain. Northern Ireland was also able to make its own decisions as it was a transferred benefit, however, I recognise that they would need to have sourced that funding from their own resources and/or the extra settlement received for other spending due to the Barnett formula. I responded to the Devolved Administrations on 25 October 2021 [TC/92 - INQ000658275; TC/93 - INQ000658274; TC/94 - INQ000658276].

The decision to suspend the Minimum Income floor

160. As referenced above, the Minimum Income Floor was effectively disapplied for self-employed claimants at the very start of the coronavirus outbreak. Suspension of the Minimum Income Floor was announced in the Budget by the Chancellor of the Exchequer on 11 March 2020. The result of not applying the Minimum Income Floor was that Universal Credit for the self-employed was based on their actual earnings, not what someone gainfully self-employed should expect to earn. 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.

161. Discussions around suspension of the Minimum Income Floor began taking place in early March. On 6 March 2020 I received a submission [TC/95 - INQ000658306] seeking my steer on whether to start drafting changes to UC regulations and continue work on the operational considerations in relation to the existing UC gainfully self-employed claimant base subject to the Minimum Income Floor affected by Covid-19, as well as to continue exploring the best approach to enabling similar treatment for new UC claims from the self-employed who are affected by Covid-19. I agreed with these recommendations and instructed officials to proceed with this work, however I did request further information regarding the financial implications of more people making claiming UC [TC/96 - INQ000658196]. On 9 March 2020 I received a follow up submission seeking my agreement to dial down/ suspend the Minimum Income Floor for UC self-employed claimants affected by COVID (i.e. sick or required to self-isolate) for three assessment periods (the length of an assessment period is 1 month) [TC/97 - INQ000658198].

162. On 18 March 2020 I received a further submission recommending that we disapply the Minimum Income Floor to all UC self employed claimants (existing and new) for a period of up to several months regardless of whether they were ill or required to self isolate. The submission also proposed, for self employed claimants in a start up period (a 12 month period during which the Minimum Income Floor did not apply), extending the start-up period for a period equivalent to the period of disapplication of the Minimum Income Floor. This would ensure parity of treatment for these claimants and compensate for their reduced ability to grow their earnings towards a Minimum Income Floor level which could be made more difficult by the pandemic. The extension would be accompanied by a temporary relaxation of the conditionality requirement obliging claimants in this group to accept a commitment to take active steps to grow their earnings.

163. The rationale for the recommendation was that:

163.1. By 17 March widespread measures were in place to stop the spread of the virus with travel and social distancing restrictions likely to increase and anticipated to last several months.

163.2. These changes were placing self-employed people, particularly those on low incomes in a vulnerable position by restricting their ability to travel or continue their

work (even where not required to self-isolate). The application of the MIF to this group would mean that they have little or no access to income.

163.3. A blanket disapplication of the Minimum Income Floor would be more operationally effective as it did not require exercise of discretion when assessing claims. A blanket disapplication of the Minimum Income Floor was therefore expected to take pressure off the department's operations at a time when the workforce was likely to be diminished through sickness and or self-isolation.

164. On 25 March 2020 I received a submission seeking my approval to make and lay The Social Security (Coronavirus) (Further Measures) Regulations 2020 for Great Britain and Northern Ireland. The proposed regulations provided for disapplication of the Minimum Income Floor for self-employed Universal Credit claimants affected by Coronavirus; discretion to postpone the gainful self employment ("GSE") test and therefore determine a claimant not to be gainfully self employed for a temporary period; and discretion to extend the start-up period for affected GSE Universal Credit claimants in their start-up period. I gave my approval to lay these **[TC/65 - INQ000658313]**.

165. The Regulations made in March provided a legal framework to apply easements for self employed claimants of Universal Credit until the end of November, however initially I agreed to these easements for a period of 3 months (to late June 2020) in line with the two key financial help schemes namely the Coronavirus Job Retention Scheme and the Self Employed Support Scheme. On 30 May 2020 I received a submission proposing extension of the suspension of the Minimum Income Floor, the suspension of conditionality requirements for all UC self-employed claimants and suspension of Gainfully Self-Employed tests for new UC applicants for a further period from until the end of October 2020 **[TC/98 - INQ000658207]**.

166. The rationale for the extension was:

166.1. There were still widespread impacts from Covid-19 social distancing measures. Many self-employed people were still unable to work due to the then-current restrictions, some had had their businesses suffer or close and would need to make changes to re-establish their businesses to grow their earnings to pre-Covid-19 levels.

166.2. An extension would ensure that new and existing self-employed UC claimants were able to access a UC award until the end of October.

- 166.3. The extension aligned with the extension of the CJRS until the end of October
- 166.4. Changes in conditionality requirements were expected to result in considerable operational impact associated with Coronavirus Job Retention Scheme testing and supervising claimant commitments from a significant number of new-to-UC self-employed claimants. Many of this cohort would be expected to come off UC in the following few months with the lifting of Covid-19 restrictions.
167. The scheme was extended but my legal team have been unable to locate the submissions and other documents relating to the extension.
168. Following November 2020 there were a series of further extensions in line with the coronavirus job retention scheme. On 11 March 2021, I received a submission seeking my approval to make and lay the regulations required to implement a further 3-month extension to the suspension of the Minimum Income Floor to 31 July 2021 [TC/86 - INQ000658330].
169. Recognising that Covid was ongoing and other self-employed schemes (like the Self-Employment Income Support Scheme) were continuing, while I was mindful about the significant increase in expenditure compared to usual of over £500 million, I agreed to the limited extension.

The decision to reintroduce the minimum floor income from August 2021

170. I had been concerned for some time about the ongoing Minimum Income Floor easement. DWP had seen a significant increase (ten fold) of people accessing Universal Credit through this route, which apart from the initial commitment had, by design, the least amount of engagement with claimants in their first year of claiming. I was also concerned about potential fraud and error. I knew of some evidence from prior to Covid-19 that approximately 50% of Gainfully Self Employed checks were deemed to fail and claims were either closed or claimants moved onto Intensive Work Search regime, the standard cohort for unemployed people. Later in 2020, and again in 2021, I made the case to No.10 and HMT to stop this easement. I knew it would take time operationally to start going through the huge number of cases but we should make a start as by that point, we were paying out £50M per month. Given ongoing support to self-employed business people was continuing, my recommendation was initially rejected.
171. I tried again ahead of the Spring Budget in my usual letter to the Chancellor, sent on 8 February 2021, which would set out the rationale for various Budget requests made [TC/100 –

INQ000658254]. While it was not announced at the budget, this did trigger further work on a plan to reintroduce the Minimum Income Floor.

172. A number of the easements that had been made to UC, including reduction of the Minimum Income Floor to zero, were set to expire on 31 July 2021. As such, on 6 April I received a submission [TC/102 - **INQ000657892**] seeking my confirmation that from 1 August 2021 the MIF, among other criteria and assessments, would be reapplied. On 28 April I provided detailed feedback on the submission [TC/101 - **INQ000657895**], effectively I was aiming to return the system to how it was before the easements while allowing work coaches a reasonable level of flexibility to ensure support was targeted to the right people. On 7 May I received a follow up submission, addressing my queries [TC/103 - **INQ000657897**; TC/104 - **INQ000657898**], seeking my agreement to the plan for restarting Minimum Income Floor and recommending that I write to No 10 and HMT setting out the detail [TC/104 - **INQ000657898**]. The submission included a draft letter to the chancellor. After the usual back and forth on the recommendations, I edited and sent a letter to the chancellor on 18 May 2021 setting out the proposed approach. [TC/104a - **INQ000609630**] HMT responded to the letter, advising that the Chancellor was content with the plan and the proposed expenditure on two conditions [TC/106 - **INQ000658266**]:

172.1. That the Department revert to HMT for the approval if the use of work coach discretion (to disapply Minimum Income Floor – explained below) is applied to more than 25% of cases in any given month; and

172.2. That the Department engage closely with HMT at official level on handling of the plan ahead of reintroduction

173. I understand that my officials worked closely with HMT and No 10 officials. There was discussion about ensuring parity between Self-Employment Income Support Scheme and Minimum Income Floor while Self-Employed Income Support Scheme was still in place. I gave a clear steer that going forward the decision to disapply the Minimum Income Floor was to be at the discretion of work coaches and would need to be considered in line with the Self-Employment Income Support Scheme criteria which states that one is eligible [for disapplication of the Minimum Income Floor] if work coaches believe “there will be a significant reduction in [applicants] trading profits due to reduced business activity, capacity, demand or inability to trade due to coronavirus.” The idea behind this was to minimise cash losers [TC/107 - **INQ000658269**]. I was keen that we should get on with the work of reassessing

claimants as soon as possible to direct them to the right sort of support and incentivise gainful self-employment.

174. The Prime Minister gave the steer that with the easement ending, he did want a month's notice period included [TC/108 - INQ000658268]. I was content with this, subject to HMT funding.

Policy Design

Key policy objectives of the uplift

175. The purpose of the temporary uplift to UC was not to cover all the lost income that claimants would likely face as a result of the pandemic. Indeed, when making the announcement on 20 March 2020 of various policy decisions, the Chancellor of the Exchequer recognised that there would nonetheless be "*hardship in the weeks ahead*" for some people and that it would not be possible to address everyone's financial difficulties. Rather, the decision to increase UC by the equivalent of £20 per week in response to the pandemic achieved three fiscal and social policy objectives.

176. First, the financial support measures were primarily designed to assist those likely to face the most significant financial disruption during 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. This objective was not considered to apply in the same way to those who had already been on existing income-related DWP benefits for some time and were less likely to have any reduction in income (as is the case for the Claimants). This, therefore, was specifically designed to cushion the impact of sudden unemployment or reduced employment with the objective of facilitating a rapid return to the labour market (thereby benefitting the economy and tax base in general). However, the Government was required to consider which investments would be most efficient and represent the best use of taxpayers' money. Although the investments made were substantial, that in turn simply highlighted the need to ensure that public money was being spent for the best possible effect.

177. Second, the Universal Credit service has been developed by an in-house product team using agile principles, this means that the service can be very adaptive to change. At the height of the pandemic we were able to introduce changes such as the £20 uplift very quickly so that the changes could reach our claimants immediately. The change to UC could be rapidly implemented and safely introduced without risk to the stability of the system, or delays (in

contrast with changes to the legacy systems which I deal with below). Indeed, this was one of the reasons why UC was originally introduced. The substantial IT investment was intended to deliver a system that could adapt rapidly and, therefore, it made sense to use that system.

178. Third, the change provided a clear and strong message which the Government could deliver at a time of crisis to provide reassurance to society and improve morale. The Government's aim in responding to the pandemic was to identify policy changes that could swiftly and safely be implemented so as to provide support to the greatest number of people in the shortest possible time. The policy changes also had to be clear and capable of being simply presented to the public. This is often a consideration when announcing policy, but it was especially important at the time of the decisions (shortly before 20 March 2020) because of the very substantial (and understandable) concern amongst society as the pandemic unfolded. The concern about uncertainty also applied to businesses and the announcement helped to provide macroeconomic stability by confirming the public would have access to additional funds. The Government needed a clear and reassuring message to address this concern and to emphasise the message that, in a time of acute need, the Government was prepared to make a substantial investment of public monies in the short term, so as to ensure the stability of the economy for when the pandemic recedes.

179. These were obviously matters requiring judgement as to which policies would best achieve these interlocking aims.

180. The inquiry has asked whether we considered if families with children should receive an additional uplift. I note that there are different elements of UC including a child element which is a targeted uplift for families with children. However, the £20 uplift for the standard allowance was considered as a simplistic approach targeted at helping people newly in receipt of benefits. The uplift was also intended to bring UC payment into close alignment with SSP levels, it was not intended to be a complete reconsideration of benefit. It is also worth noting that the benefit cap did not apply to new claimants of UC for the first 9 months, which could provide financial relief during the initial phases of a UC claim. I have set out at paragraph 137 my 9 October 2020 recommendation to permanently uplift both the UC standard allowance and the child element by £10 per week, although ultimately this was not implemented.

The decision to not introduce an equivalent uplift for people on legacy benefits

181. The Inquiry has asked me about the decision taken by DWP not to introduce an equivalent uplift for people on legacy benefits. The rationale for uplifting 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. In the early months of the pandemic, new benefit claimants were mostly claiming Universal Credit.

182. 2020 would also be the first time since 2015 that all legacy benefits were benefiting from a slight increase, after the freeze on benefits was lifted.
183. A temporary uplift in legacy benefits would not have achieved the policy objective (outlined above at paragraph 176) of providing financial support to those claiming social security benefits for the first time nor was it operationally practicable to deliver a temporary uplift in legacy benefits within a meaningful timescale through the existing legacy IT systems. Unlike the UC systems which were designed in house with agile systems and where therefore flexible (as outlined above at paragraph 177), 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. While 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. This was not designed though to incentivise people to move to UC.
184. Whilst disabled people on legacy benefits did not receive the temporary uplift, the government introduced alternative measures to provide targeted support. These included increases to Local Housing Allowance rates, which particularly benefited disabled claimants facing housing shortfalls and changes made to Employment and Support Allowance meant claimants were automatically assessed as having 'limited capability for work'. Additionally, claimants with disabilities could still claim Universal Credit and access enhanced support through the suspension of the Minimum Income Floor, relaxed work search requirements as well as the uplift. These changes aimed to offer meaningful assistance to disabled individuals during the pandemic.
185. The difficulties in increasing further the rate of legacy benefits were considered by Ministers in March 2020. Consideration was given to increasing the standard allowance of ESA, JSA and IS, but, as well as not serving the policy objectives, which I explain further below, this was not operationally deliverable as the rates for April 2020 had already been input for all of the legacy benefit systems and could not be changed until the following year without considerable delivery risks [TC/109 - INQ000658310]. This is because of the ageing nature of the DWP's legacy IT systems. It was considered that any changes to the rates input into the legacy systems as part

of a further, out-of-cycle exercise carried major delivery risks. Rates can only be changed when the relevant system is not being used by frontline staff, which confines available windows to weekends. Moreover, once they are set it is not possible to change them in-year without a high level of risk of incorrect payments being made to customers. There are a large number of 'benefit overlaps' which occur where one benefit rate is linked to another. Any errors could rapidly create a 'domino effect' where the IT team would not have the capacity to predict or correct the knock-on implications. This would therefore carry a high level of risk that payments would be made at an incorrect rate, or that customers would not receive any payments at all.

186. Consequently, it was decided that increasing the standard allowance of ESA, JSA and IS was not feasible as it posed a danger to the whole system. This decision prioritised the safety and stability of the benefits system overall.

187. The DWP's Equality Analysis dated 24 February 2021 [TC/87 - INQ000474825] refers to the fact that a significant proportion of legacy claimants, who will not receive the increase, may have a disability (particularly ESA claimants). However, it was considered that any differential impact on people with disabilities was justified due to the aims of the measure and their importance having regard to:

187.1. legacy claimants have the option of moving to UC if they believe they will be better off; and

187.2. the fundamental aim of the temporary uplift increase was to help deliver economic stability and target those likely to be experiencing the most financial disruption. A distinction was made between those who were facing the most financial disruption as a result of the pandemic and those who were not considered to be in a similar position when introducing the temporary changes to rates. A significant proportion of UC and WTC claimants would have an additional source of income from employment or be actively seeking work, whilst that is not the case for other income-related benefits that assist with living costs. Only a small proportion of claimants undertake permitted work in ESA, so it was expected that ESA claimants would not now be facing a drop in their income (i.e. from the benefits they receive).

188. I was very mindful of existing claimants with disabilities. During this time, I had already started considering the development of the National Disability Strategy with the Disabilities Minister. Early on, we had put easements in place so that people could continue receiving benefits despite the challenges of undertaking assessments during the pandemic. Additional UC

payments are calculated based on work capability assessments. There are also other benefits alongside UC, such as a Personal Independence Payment. As such, in my view there was adequate support available to cater for the needs of disabled people and people with a health condition.

Fraud monitoring and evaluation

189. The Inquiry has asked about the measures used to safeguard public funds and minimize the risk of fraud and error with respect to UC. Aspects of this are set out in the DWP corporate statement [at paragraph 6.440 onwards].

190. We all knew that there would be attempts at fraud and we had to ultimately balance that with trying to protect families at this difficult time. I had already held up one easement for further assessment and consideration, as outlined at paragraph 118. There was some notable success, including saving approximately £1billion pounds in one weekend thwarting a sophisticated attempt to defraud through advances. While I was keen to check every claim where we had easements, ultimately our resources would not allow for that. After further back and forth internally and securing funding to make this happen, the targeted case review was used as the principal way to validate claims, and then to recover fraud or error.

Monitoring and evaluation

191. The Inquiry has asked about the monitoring and evaluation of the UC uplift. As set out in the DWP corporate witness statement, the Income, Families, and Disadvantage Analysis team within the Department had responsibility for monitoring and evaluation of the uplift during its implementation. Analysis was conducted on the impact of the uplift in conjunction with the other welfare changes introduced in response to the pandemic, namely increasing Local Housing Allowances 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 [TC/111 - INQ000592923] this document appears in a dashboard type format and my recollection is that received information of this type regularly

192. I speak to further analyses above at paragraph 145, see [TC/82 - INQ000658327]; [TC/83 - INQ000658328].

193. In January 2022, the Income Families and Disadvantage Analysis looked at short-term indicators of poverty. This was part of the work that was being done across government to

alleviate poverty. It showed that the percentage of UC claims with very low income declined during the uplift, but rose following the uplift being removed, before showing signs of stabilising [TC/111 - INQ000592923].

Reflections

194. The UC uplift certainly helped people new to the benefit system as their income fell, probably substantially.
195. By the time of the next pandemic, everyone claiming benefits will be on UC or the “new style” contribution-based benefits. While I hope we are never in a situation again where most of the population is confined to their homes, a future government may want to consider if their focus at that moment was a substantial change in people’s falling incomes or other factors like cost of living spikes – which may impact more those with children. This consideration should guide any future response.
196. I am proud that alongside all these other changes to UC, and there are many more easements made to help people manage at this point, we set up a series of support grants. The Winter support grant evolved into the Covid Local Support grant, which eventually evolved into the Household Support Fund, which is still going. The powers we had meant we could not hand out money ourselves so we could either legislate or create and deliver these through local authorities rather than DWP. That in itself may have brought advantages – particularly for the imaginative councils. Funding for local welfare had been part of the settlement grant when transferred from DWP to councils nearly a decade earlier but it had not been ringfenced and over time, this had been substantially eroded in councils’ budgets due to other cost pressures. This was an opportunity for local councils who do know their communities well to go beyond the cohorts of claimants regularly seen by work coaches.
197. I would recommend that DWP be reinstated with the power to be able to provide hardship grants, even if that was in a pandemic related legislation rather than a permanent change. Our work coaches know their claimants, their customers well and would do a good job getting support where it is needed.
198. For the Cost of Living payments announced in May 2022, I did press on with a simple payment approach, outside the benefits system. This was paid to everyone on benefits, reflecting that the financial impact was on everyone pretty much equally. At that point, splitting that payment into two lump sums still brought the issue of how large lump sums can be handled by claimants

but largely addressed the need to help pay items like energy bills or other costs that had spiked. I still think handling of large lump sums is a tricky issue and would want a future government to think carefully on these.

199. The Inquiry has asked me whether I consider that the uplift was value for money. I do not recall any specific work undertaken by DWP at the time to measure this, which would have been difficult with the demands of the pandemic response. However, I am of the view that the introduction of the temporary uplift was appropriate and was value for money – it achieved its objectives and lifted 900,000 people, including 350,000 children, out of poverty during the pandemic [TC/80 - INQ000658251].

Part G: Kickstart

Plan for Jobs

200. Protecting jobs, creating jobs and getting people into jobs was a crucial part of the economic response to Covid. In April 2020, the Office for Budget Responsibility estimated unemployment would reach 10% by the end of the year. In July, it increased its estimate to 12%. In June 2020, the Organisation for Economic Co-operation and Development estimated it would reach 11.7%.
201. Prior to the Covid-19 pandemic, some planning had already been done in anticipation of an economic downturn, particularly in anticipation of the possibility of a no-deal Brexit. Specifically in regards to Covid-19, this meant that we already had more work coaches in place than may otherwise be expected.
202. I commissioned a paper on 6 April 2020 [TC/112 - INQ000653770] ahead of a meeting with officials on 7th April. At the meeting, we discussed the paper [TC/113 - INQ000653771] developing options for a new programme in response to the economic crisis.
203. In April 2020, I confirmed I was interested in setting up a Get Britain Back into Work Taskforce [TC/114 - INQ000658208]. The purpose of the Taskforce was to ensure that the UK Government works effectively with employers to support people back into employment and to maximise the success of DWP's employment support.
204. On 2 May 2020 I received a submission providing further detail on the proposed Taskforce and seeking my steers [TC/115 - INQ000653748]. The submission recorded that DWP officials

were working closely with Department for Education and the Department for Business, Energy and Industrial Strategy officials on the approach to economic recovery, including in relation to skills and training, and also that DWP officials were working with officials in No 10, HMT, the Department for Business, Energy and Industrial Strategy and Department for Education and that my special advisors were consulting with HMT special advisors in relation to the Taskforce. DWP officials would ensure that the Taskforce's agenda and discussion were informed by that close-working. Recognising the need for a regional focus to strengthen the levelling up agenda, DWP officials proposed to join up the work of the Taskforce with the work of Mayoral Combined Authorities and Local Enterprise Partnerships through connecting with them via regular Ministry of Housing, Communities and Local Government meetings. The submission sought my steers on involvement of the devolved administrations and recommended that we invite ministers and officials from the Devolved Administrations to attend meetings where relevant to their interests.

205. In response to that submission **[TC/116 - INQ000658209]** I indicated (amongst other things) that:

205.1. I had a preference for the Chancellor to co-chair the taskforce, Department for Education and Department for Business, Energy and Industrial Strategy ministers to have a standing invitation to the taskforce, there should be closer working with Mayoral Authorities and Local Enterprise Partnerships.

205.2. The focus should be on sectors where people will be leaving and there is potential for growth.

205.3. I was content with the proposed approach to membership of the Taskforce.

206. I had already joined some Department for Business, Energy and Industrial Strategy meetings organised by Alok Sharma. These were large gatherings, many of which were trade bodies. On 3 June 2020 I attended a roundtable meeting with B5 Business Representative Organisations and the Department for Business, Energy and Industrial Strategy Minister (Nadim Zahawi) **[TC/117 - INQ000658211]**. The topic for discussion at the meeting was whether and how a new skills offer could be targeted to focus on key priorities (e.g. towards different sectors, places, courses or groups of worker) **[TC/118 - INQ000658212]**. A key focus of the meeting was young people, and in particular, those about to leave school and 18 - 24 year olds, and also older workers with low skills especially those in sectors hardest hit by the

pandemic. These meeting was important and the discussions fed into my thinking when it came to looking at the plan for jobs.

207. The Plan for Jobs [TC/119 - INQ00088027] was an umbrella programme across government, presented by the Chancellor as part of the Summer Economic Update and published on 8th July 2020. DWP ministers and officials worked very closely with our HMT counterparts in creating the original Plan and ongoing evolutions. This initially included establishing a small number of officials working very closely together in a cell, a similar approach as had been undertaken on early work regarding benefits.
208. A vital element to our thinking was the effect of Covid-19 on young people and trying to avoid “scarring”. This refers to the long-term, negative impact on career prospects and future earnings due to early career experiences. This crystallised very specifically in the creation of Kickstart – jobs for young people paid for by the government – and the expanded Youth Offer, comprised of the Youth Employment Programme, expansion of Youth Hubs and Youth Employability coaches.
209. In addition to Kickstart, JETS and Restart about which the inquiry has asked, we doubled the number of work coaches, created new job centres, reconfigured and expanded some existing programmes including SWAPS (sector work-based academy programmes) and Work and Health job programmes, launched Job Finding Support, and worked closely with the Department for Education on initiatives like skills and bootcamps. Recruiting and onboarding such a large number of work coaches, opening the new centres and reconfiguring existing work groups was a significant piece of work in itself with challenges but absolutely necessary to help many more claimants than usual. We moved to being a employer brokerage, became more agile on interview techniques and coaching.
210. Throughout Plan for Jobs, I and ministers had regular engagement with officials on monitoring progress, usually through weekly meetings, undertaking deep dives and workshops, making changes as needed, as well as transforming the approach to management information reporting and the use of that in enhancing the performance of our job centres and programmes. I participated in several stocktake monitoring meetings on the Plan for Jobs in the first half of 2021, convened by No.10 and chaired by the Prime Minister, usually with minister and officials of some other departments [see for example TC/120 INQ000658259]. As part of that work, we developed a labour market strategy, focusing on five key sectors which were important for the national economic recovery and/or there were shortages of employees. These were construction, manufacturing, digital and tech, haulage and logistics, and health and social care.

I also enjoyed the opportunity to learn from our front line, particularly from work coaches and job centre managers. I established a focus group of work coaches. I searched for good practice and sought to have that rolled out across the country. It was a huge effort after the NHS jabs army giving out the vaccinations to the jobs army of DWP helping people back into work.

211. The final push was through “Way to Work” at the start of 2022. We helped over half a million people into jobs in just five months. The facts speak for themselves. DWP helped people into work. This resulted in the unemployment rate of 3.7% - the lowest since 1974.

212. A cross-cutting Plan for Jobs evaluation [TC/121 - INQ000658284] was published in May 2024.

Kickstart - development and policy design

213. I was responsible for overseeing the development and implementation of the Kickstart Scheme, which was formally announced by the Chancellor of the Exchequer on 8 July 2020 as part of the Government’s Plan for Jobs. The scheme was designed in response to the economic downturn caused by the Covid-19 pandemic, with a particular focus on supporting young people aged 16 to 24 who were at risk of long-term unemployment.

214. The Kickstart scheme was established with four key objectives:

214.1. To improve the employability and chances of sustained employment for those at risk of long-term unemployment in the 16 – 24 age group.

214.2. To support the creation of jobs that might not otherwise exist.

214.3. To ensure that each placement provided a quality experience for participants.

214.4. To incentivise positive behaviours among placement holders, making them more attractive to future employers and reducing the scarring effect of unemployment.

Joint working and consultations

215. Kickstart was solely devised and designed by DWP and HMT. Kickstart was focused on young people. This was the most obvious pathway, unless people were absolutely not ready for work.

In which case, work coaches would use the strands of the Youth Offer to help young people tackle some of their barriers to work.

216. I attended meetings early in the pandemic to listen to business representatives (see paragraph 206 above). A taskforce was also formed (see paragraphs 204 to 205 above) which provided a sounding board for ideas, this was not specific to Kickstart, but the work of the taskforce would have fed into the design.
217. I do not recall any other specific meetings I held with external stakeholders. It was usual practice for the employment minister and disabilities minister as well as officials to undertake outreach to external stakeholders. When Kickstart became live, I did interact with the Confederation of British Industry and the Federation of Small Business to try to address issues their members were facing.
218. The cohort and scope we covered with Kickstart was not a devolved matter for Scotland and Wales. The Northern Ireland Executive had sole responsibility in Northern Ireland, as is true for all benefits and employment programmes.
219. Long Covid was not taken into account when making decisions and designing policy in relation to Kickstart because knowledge of Long Covid as a concept was either non-existent or in its infancy at that juncture. However, people with Long Covid, whether or not they were aware what it was, may have benefited from the employment support available to people with disabilities and health conditions.
220. The Department engaged with a broad spectrum of stakeholders to inform both the design and delivery of the Kickstart Scheme. This included collaboration with the Youth Employment Group, which has a dedicated Disability Subgroup chaired by the British Association for Supported Employment.
221. The Inquiry has asked whether there was adequate consultation with stakeholders representing young disabled people. While I set out consultation done by the department above, I was confident that consideration of disabled people would have been made. We were making good progress on our manifesto commitment to get a million disabled people into work by 2027, by removing various barriers and promoting disability confident employer initiatives. We achieved that goal by Q1 2022. While devising the Plan for Jobs, we had already started development of the National Disability Strategy. Access to Work was immediately available for anyone on Kickstart.

222. It is important to note that previous evaluations of the Future Jobs Fund did not highlight accessibility concerns for disabled individuals. Given that the primary distinction between the Kickstart Scheme and the Future Jobs Fund was the increased involvement of private sector employers, it was not anticipated that this would adversely affect accessibility for disabled participants.
223. Furthermore, ongoing engagement with a range of stakeholders representing young people with disabilities, to inform policy development more generally, included discussions relevant to the Kickstart Scheme. The attached briefing document [TC/122 - INQ000653840] outlines the themes and recommendations arising from engagement between the DWP Youth Policy team and stakeholders between April and June 2021. These stakeholders included the Youth Employment Group, Disability Rights UK, the Youth Voice Forum, and the Youth Group. Among the recommendations received were proposals to extend the scheme throughout 2022 and to review its targeting approach. I understand these recommendations were shared with the Kickstart team for consideration.

Lessons learned from Future Jobs Fund

224. The Future Jobs Fund ("FJF") was a DWP grant-funded scheme for jobs in the voluntary sector run by Local Government on behalf of DWP during the 2008-2010 recession.
225. The first reference to FJF came in the paper, I commissioned on 6 April 2020, discussed above [TC/113 - INQ000653771]. The note referred to the FJF by way of example and estimated that if a similar programme were to be implemented, it would take between 11 and 15 months for design, procurement and implementation.
226. Kickstart was effectively a new iteration of the FJF, and an opportunity to improve on the former scheme in light of lessons learned from its implementation. Clearly, the proposed 11 to 15 month timeline would not be acceptable. As such, it was appropriate for officials to use FJF as their starting point in devising the operational plan for Kickstart, though taking into account learnings particularly in relation to value for money and in building more agility into the scheme on this occasion. Although the FJF received positive reviews, it faced criticism for lacking agility and central oversight.
227. In light of the previously estimated 11 to 15 month timeline, it is a real credit to DWP officials that we were able to get the Kickstart scheme running in a much shorter period. It was very important to do so in light of the economic conditions caused by the pandemic emergency. Ministers and officials used FJF as their starting point in devising the operational

plan for Kickstart, though taking into account learnings particularly in relation to value for, being agile and having central oversight.

228. A further concern raised in the aftermath of the FJF was that there had been a lack of funding for wrap-around support for both employers and participants throughout the life of the scheme. It was therefore decided that Kickstart must offer this kind of support.

229. I was clear that Kickstart had to be delivered more quickly, it would need to be significantly more agile and offer many more job placements to be in the private sector. Here was an opportunity to help get the private sector going again, help growth in our economy and the possibility of ongoing, sustainable employment rather than just another programme almost acting as a holding pattern for young people who would otherwise be unemployed. I wanted to have any employer be able to apply, whether it was 1 job or 100 jobs. Officials told me that they would not be able to manage that, at least not straightaway.

230. FJF had required a 25-hour minimum job commitment on employers. This was replicated in Kickstart. In a similar vein, inspiration was drawn from the FJF in respect of funding, including the use of grants, the 6-month period for paying employers and the unit costs as well as the up-front flat rate payment of £1500 for set up costs.

Key decisions

231. Working closely with the Minister for Employment, Mims Davies, and the Minister for the Lords, Baroness Stedman-Scott (who had extensive experience running Tomorrow's People Trust), I was responsible for making key decisions on the design and delivery of the scheme. Ministers from HMT also worked closely with us on the design of the scheme. Generally the decision making process followed the usual procedure as set out in paragraph 59 (i.e. the usual process of preparation of submissions), but at as the scheme became operational the process changed to more of a management operation, with weekly meetings at which operational decisions were made. Submissions would still be made on certain policy matters. For example, see **[TC/123 - INQ000658279]**.

232. As outlined above, the Kickstart Scheme was formally announced on 8 July 2020. On 20 July 2020, I received a draft submission setting out the rapid sequence of ministerial decisions required at the outset of the Kickstart Scheme **[TC/124 - INQ000592927]**. This document timetabled the provision of advice on several key queries, including:

- 232.1. Who would be eligible to access the scheme; The Chancellor had announced as part of the Plan for Jobs on 8 July 2020 that the scheme would be aimed at those aged 16-24 who are on Universal Credit and are deemed to be at risk of long-term unemployment.
- 232.2. How employers could demonstrate that the jobs created were genuinely additional;
- 232.3. Which organisations could apply for funding; The Chancellor had already announced that the scheme would apply to a broad range of employers, but I would need to decide what types of organisations we would accept as intermediaries through which smaller employers would access the scheme, and their role.
- 232.4. The quality of experience expected for scheme participants;
- 232.5. Measures to protect value for money, including how we will guard against risks to fraud, error and gaming by bidding organisations;
- 232.6. Managing the risk of a slow start to applications or potential over-subscription and ensuring there is national coverage.
233. On 24 July 2020, I was sent the first two submissions in the above sequence. The first addressed eligibility for the Kickstart Scheme and recommended that the initial focus of the scheme be on 16 – 24 year olds on UC and new Style JSA [TC/125 - INQ000592929]. No formal cap on the number of places available under the Kickstart scheme was ever announced. This was done so that we would encourage employers to come forward without putting an immediate hurdle in their minds about whether or not to bid. However, for the purposes of the Summer Economic Update, we were required to assign a costing to the scheme, which effectively set a working target aligned with the allocated budget. The budget translated into an indicative target of approximately 250,000 placements.
234. It was proposed that other groups (e.g. over 25s on benefits and under 25s not on benefits, adults leaving the armed forces or leaving prison and claiming benefits) would be considered for inclusion in the scheme as it scaled up and developed. The rationale for selecting 16-24 year olds on UC and JSA as the initial participants in the scheme was because young people aged 16-24 at risk of long term unemployment were a key target group for the scheme and were likely to offer strong value for money as the Future Jobs Funds demonstrated good impact with JSA claimants. It would be most straightforward to build and test the referral system for

this group as they were already engaged with our regime. Additionally, UC and New Style JSA claimants had been through verification, so there was a lower risk of fraud in this group as the most likely source of fraud was creating a “persona” who was alleged to be matched to a vacancy [TC/126 - INQ000592946].

235. The programme needed to be implemented very quickly, and the referral pathway therefore needed to be straightforward, in order to maximise uptake. The group of 16-24 year olds on UC was likely to include a wide range of narrower groups, including students, those in supported accommodation, young people with Special Educational Needs and Disabilities, Afghan refugees and others. Individual work coaches within the Kickstart scheme could then use their discretion to determine whether to put a candidate forward for a Kickstart job or to refer them to an alternative DWP employment support programme.

236. The second submission specifically addressed the additionality requirement. The additionality requirement was designed to ensure that Kickstart jobs were genuinely new and did not displace or limit existing roles. This was a requirement by HMT. One purpose of this was to stop employers firing people and then hiring others at no cost to themselves. The submission set out how employers would show this [TC/127 - INQ000658317]. It also proposed that:

236.1. The additional job criteria should be included in the bid documentation;

236.2. There should be a series of straightforward questions for the employer about the role and the recent actions of the employer in respect of hiring/firing staff;

236.3. The questions should deliberately be kept simple and straightforward so as not to deter potential employers from engaging with the scheme;

236.4. A balance should be struck between the need to ensure that applications from employers were assessed robustly and the need to get applications processed quickly so that young people could be placed into roles and take up opportunities as quickly as possible;

236.5. It would be up to the recruiting employer to specify whether a Kickstart participant is a worker or employee;

236.6. Some clear criteria were set, requiring that the employer must offer at least 25 hours of work paid at the minimum wage.

237. On 27 July 2020 I received a submission updating me on the delivery timelines for Kickstart and the steps required to get the scheme up and running [TC/128 - INQ000592930]. In effect the submission outlined that five basic things needed to be in place in order to stand up the scheme:

237.1. A way to encourage employers to offer Kickstart jobs

237.2. A way to assess bids and agree that they are good enough

237.3. A referral mechanism to match people into the jobs

237.4. A way to pay money to the organisations

237.5. A way to measure outcomes

238. The submission recommended a twin track approach to fast track the scheme through the government approvals process and get it up and running quickly.

238.1. First it was suggested that organisations are invited to sign up to offer Kickstart placements, the idea being that this would provide a chance to test processes and manage volumes as well as showcase that type of situations that want to be involved in Kickstart.

238.2. Secondly, produce a Kickstart offer framework for open bidding.

239. On 28 July 2020, I participated in an internal DWP ministerial meeting on Kickstart, where I provided steers on eligibility, additionality, delivery timeframes, and engagement with stakeholders, including confirming that we should undertake roundtables with employers [TC/129 - INQ000658222]:

239.1. On eligibility I gave the steer that prioritisation should be given to young people. I recognised that we may need to start with young people on UC but I did want to include young people not claiming benefits. I instructed that young people should be prioritised ahead of other groups, for example prison leavers.

- 239.2. On additionality, I confirmed that employers should answer a set of simple questions about the role and the recent hiring/firing actions of the employer.
- 239.3. On the classification I sought clarification and was ultimately content that employers would be expected to provide a similar status for Kickstart participants as for the rest of their workforce and that they would be expected to provided a minimum of 25 hours a week at the national minimum wage.
- 239.4. I also gave steers on the types of employers and other organisations that I wanted to see participating in the scheme
- 239.5. I suggested holding roundtables with employers.
240. The design process continued with further submissions on 30 July 2020, focusing on the bidding and application process for employer applications [TC/130 - INQ000592931]. The submission recommended setting a minimum bid size of 30 jobs. Smaller employers who were offering fewer than 30 jobs could apply via umbrella organisations, who would collate bids and present a single bid to DWP limiting the number of individual small scale bids that DWP receives. The submission noted that we may be able to lower this floor as we build up internal systems to better automate and manage grants and thereby increase direct participation from smaller employers. I expect this was because I had been clear that I wanted any employer to be able to apply. The submission also records that by 30 July Mayoral Combined Authorities, Local Enterprise Partnerships , Local Authorities and Devolved Administrations had informed the Department that they were interested in running the Kickstart scheme themselves. DWP wanted to tap into the enthusiasm and networks of these organisations, whilst ensuring that the Kickstart scheme was consistent nationally – including the key role for work coaches in matching people with vacancies. The submission recommended that these organisations should be encouraged to apply as umbrella bodies under the scheme. This would allow Kickstart applicants to benefit from the networks and local expertise of these local bodies, within a single scheme and routeway for organisations across Britain to apply for Kickstart, reducing confusion for applicants, and also because this was simpler to design and build than devolving part of the Kickstart money to them and allowing them to administer the scheme.
241. I provided my response and steers on 31 July [TC/131 – INQ000658225]. I noted some concern with the 30 threshold being a bit high. I wanted to have any employer be able to apply, whether it was 1 job or 100 jobs. Officials told me that they would not be able to manage that, at least not straightaway. As suggested we press on with the 30 job threshold for now. I

suggested that we need to be careful with our due diligence on smaller, newly created companies and that we exclude parish and town councils as they don't tend to have the infrastructure required to manage this project. My view was that we would get enough get enough bids for the scheme. Kickstart was to be a UK Government administered scheme, with Devolved Administrations acting as a delivery partner if they wished. I agreed that that Mayoral Combined Authorities Local Enterprise Partnerships Local Authorities and the Devolved Administrations should participate in the scheme as umbrella organisations.

242. Although I do not specifically recall this, I have been shown documents which show that on 31 July 2020, following my request (see [TC/129 - INQ000658222]) for roundtable discussions with employers, I received a note regarding Employer Engagement on Kickstart [TC/132 - INQ000658224]. The note recommended that the roundtables take place in the week commencing 17 August 2020, that as well as employers we invite organisations which may play an intermediary role, including the British Chambers of Commerce, Mayoral Combined Authorities and the Princes Trust, and made recommendations for the format of the roundtables. I responded to the note by email [TC/133 - INQ000658226], including that Local Enterprise Partnerships leadership should be included as well as British Chambers of Commerce. The roundtables subsequently happened involving both me and the Chancellor.
243. I recall that some employers, for example Tesco, participated in a round table and were very supportive of the aims of the scheme but did not formally participate in the Kickstart Scheme as they considered they could offer additional jobs without taking public money. As I recall, Tesco worked with job centres to offer jobs to unemployed young people.
244. On 6 August 2020, I received two further submissions on the employment offer to participants and how to ensure national coverage of the scheme [TC/134 - INQ000658318; TC/135 - INQ000592932]. The employment offer submission outlined the definition of a "decent job" and further employment support, which recommended that participants should expect on the job training and work search training. It set out that a placement would be at least 25 hours a week and paid at least the minimum wage, however in Annex A it suggested that jobs should pay at the job-rate. The 25-hour threshold was taken from the FJF. The submission on national coverage looked at how to monitor uptake across the country and recommended that indicators are used to encourage bids from certain geographies or sectors rather than targets with respect to encouraging and monitoring uptake.
245. I provided my response and steers on 10 August 2020, emphasising the importance of both the quality of the employment offer and the need for the scheme to be available across the

country [TC/136 - INQ000592931 3]. I did not agree fully with the definition of 'decent job' in the Employment offer, specifically the requirement that the wage had to match those of other people doing the same job (the Job Rate). I noted that these are short term placements and jobs specially created that may not otherwise exist in the normal running of the organisation. Employers were likely to be taking on largely inexperienced people, who would likely require training and would otherwise not be taken on. I was concerned that a requirement like this (the Job Rate) would restrict the potential jobs. As such, in my view minimum wage was appropriate. I was also concerned at the level of sanctions recommended for situations where kickstart participants leave or are dismissed from their roles. Sometime jobs do not work out and we wanted to make this an appealing scheme for both employer and the claimant. I sought advice on other, lower, levels of sanction. Ultimately I did not want the rules on sanction changed specifically for those on Kickstart (see [TC/137 - INQ000658235]). I did give the steer that I wanted options explored for opening the scheme to smaller business. I generally agreed with the recommendations in the national coverage submission; I did not want there to be a regional or national allocation but preferred the approach of using indicators to monitor uptake around the country. Overall, I wanted to try to ensure that we did not over-engineer the scheme, and that it could remain agile enough to adapt to the needs of those participating both from an employee and employer perspective.

246. On 11 August 2020, I received submissions on the Kickstart scheme unit costs and on protection of value for money [TC/138 – INQ000658230; TC/139 - INQ000658320; TC/140 - INQ000658319]. The submission on unit costs recommended giving each employer a grant payment per Kickstart job based on a weighted average of the National Minimum wage with the 16 - 24 year old unemployed population. I have been provided with and briefing note and readout that disclose that later on the same day the Chancellor and I met to discuss the Kickstart [TC/141 – INQ000658229]. The Chancellor shared concerns that I had about the flat rate grant payment for employers. There was a concern that some employers would be short-changed. We were in agreement that actual costs would be preferred [TC/142 - INQ000658231]. I gave the steer to my private office that I was minded to pay actual salaries, rather than weighted averages [TC/143 – INQ000658321]. I understand that the Chancellor gave a similar steer. The Chancellor also gave a clear steer that his preference on non-wage costs was a flat payment of £1500, I was also content with this flat rate.

247. On or around 17 August I received a submission, based on my steers above that I wanted payment of actual wages, and a flat £1500 non-wages payment [TC/144 - INQ000658322]. Intermediaries (gateways) were able to claim an extra £300 pounds for their additional administrative costs.

248. The Inquiry has asked why the above approach was taken to payments. There was experience from the Future Jobs Fund, which was the starting point for our approach. However, we wanted to reduce the administration costs. The costings and approach were proposed by officials. To the best of my recollection, I agreed with their proposals:
249. The £1,500 flat rate was designed to cover set up costs, such as equipment and IT as well as administration and management time. As set out above, I was satisfied that the payments were made at the appropriate level.
250. The funding system and payments made therein were also easy to track. Funding was conditional and paid in arrears. It would only be released once additionality had been proven. This meant that we remained in control in case of any suspicions around whether the requirements were being met and whether there were any other issues.
251. The funding mechanism used was grants. This worked because it was simple, straightforward and quick. Trying to do this by contract would have killed this scheme before it started due to the complexity of it would introduce. A governance process was set in place for due diligence, including a “Complex Case”. There was some fraud for sure – principally money not being used for the training purposes and in one example I recall, the Kickstarters not being paid. That was rectified as soon as I was alerted (by email) by the parent of a participant. The minor flaw of using a grant process was that it was difficult to recover money already issued. However, there were reasonable controls on the release of funding.
252. The latter submission received on 11 August 2020 with respect to protecting value for money, identified a number of key fraud and error risks and proposed a several proportionate controls aimed at mitigating key fraud and error risks **[TC/140 – INQ000658319]**. These included:

252.1. Participant Identity Verification:

- i. Use of Universal Credit and Jobseeker’s Allowance identity checks.
- ii. Work coaches to refer eligible young people to appropriate job placements, limiting self-selection.
- iii. Verification through National Insurance number and date of birth checks.
- iv. Fraud referrals by work coaches where identity fraud is suspected.
- v. Exploration of additional verification processes (e.g., Citizen Searchlight) for non-benefit claimants.

252.2. Employer Compliance and Oversight:

- i. Proportionate due diligence at the grant award stage, including identity, financial, and legitimacy checks.
- ii. Requirement for applicants to provide supporting documentation (e.g. liability insurance, job details).
- iii. Inclusion of performance management clauses in grant agreements, with obligations for reporting, audit rights, and recovery provisions.
- iv. Monitoring of wage payments via Real Time Information and confirmation of job start before grant disbursement.
- v. Collaboration with HM Revenue and Customs to ensure compliance with National Minimum Wage and Auto-Enrolment duties.

252.3. Prevention of Collusion:

- i. Controlled referral process by work coaches to reduce risk of pre-arranged collusion.
- ii. Use of intermediaries for smaller employers to add an additional layer of oversight.
- iii. Consideration of random site visits and checks to confirm participants are not working for friends or relatives.

252.4. Employer Identity Fraud Prevention:

- i. Direct information requests from employers and independent due diligence to detect discrepancies.
- ii. Ongoing monitoring through Real Time Information, work coach feedback, and grant agreement obligations.

252.5. Ensuring Job Additionality:

- i. Application questions about the role and the recent hiring / firing actions of the employer to assess job additionality.
- ii. Data analysis (e.g. redundancies, business size, sector) to identify anomalies.
- iii. Local Jobcentre Plus input to validate employer claims.
- iv. Clear guidance on additionality included in bidding documentation.

253. These controls were designed to balance the need for robust fraud prevention with the goal of maintaining accessibility and participation in the scheme.

254. On 12 August 2020 I receive a submission outlining the plans to evaluate the Kickstart Scheme [TC/145 - INQ000658232; TC/146 - INQ000592937]. The submission set out a comprehensive plan with evaluation objectives and key decisions that evidence would help inform. The evaluation was designed to generate robust evidence to inform policy decisions, monitor implementation, and assess both short- and long-term impacts.

255. The evaluation objectives included:

255.1. Assessing the effectiveness of the scheme in improving employability and employment outcomes for participants.

255.2. Measuring the impact on earnings, benefit dependency, and progression into education or training.

255.3. Evaluating the cost-effectiveness and value for money of the scheme relative to comparable labour market programmes.

255.4. Informing decisions on scheme design, delivery, and potential extension or expansion.

256. To measure impact, the Department considered the use of randomised control trials but concluded that such an approach was operationally impractical and potentially inconsistent with the scheme's public commitments. Instead, the preferred methodology was the use of statistical matching techniques, including Propensity Score Matching, to construct a synthetic control group of non-participants with comparable characteristics. This approach was deemed analytically sound and operationally feasible, subject to data availability.

257. The evaluation also incorporated:

257.1. Process evaluation to assess the effectiveness of scheme delivery and identify areas for improvement.

257.2. Qualitative research with employers, intermediaries, and operational staff.

- 257.3. Surveys of participants and employers to capture outcomes not observable in administrative data, including soft outcomes such as confidence and motivation.
- 257.4. Management information systems to enable real-time monitoring and support sampling for further research.
- 257.5. The evaluation was structured across five phases, beginning with policy design and concluding with long-term impact analysis. The total estimated cost of the evaluation was approximately £960,000, with the majority allocated to externally commissioned surveys.
258. As the submission was lengthy and detailed I sought a discussion at which I could be walked through the submission **[TC/147 - INQ000658234]**. I cannot recall the specific outcome of that discussion and my legal team has not been able to locate a readout but I believe I would have ultimately agreed with the recommendation, else the evaluation could not have proceeded.
259. I received updates on the readiness of the scheme to go live on 21 August 2020 **[TC/148 - INQ000592943]** and 28 August 2020 **[TC/149 - INQ000592944]**, with the scheme ready to launch the following week. Throughout this period, I remained closely involved in reviewing submissions, providing steers, and ensuring that the scheme was designed to deliver its objectives effectively and efficiently.
260. The Kickstart scheme was officially launched on 2 September 2020 **[TC/150 - INQ000658283]**. It was initially planned to run between September 2020 and December 2021.
261. At the launch of Kickstart, any employer offering fewer than 30 roles (over the lifetime of the scheme) had to use a "Gateway". Gateways were intermediaries which would help employers to manage their Kickstart scheme grant. In the case of smaller employers they would add the young person to their organisation's payroll, pay their wages and provide employability support. However, while Gateways brought diversity and volume to the scheme, we also found that bid quality was mixed, with many being poor quality or speculative which was adding to the Department's levels bureaucracy in assessing the bids, rather than reducing it as intended. I also later learned that the department having initially assessed a gateway left the gateway to get on and applied no further scrutiny to additional job test. This was a clear flaw and showed a different level of standards in consideration of job criteria.
262. Toward the end of 2020 we started working up plans to improve Kickstart. I started running weekly meetings just on Kickstart, in addition to the Plan for Jobs meetings, and initiated

several deep dives and workshops [see for example **TC/151 – INQ000658257**]. There is no doubt, despite best efforts, that the team had been struggling to get appropriate management information, Management information was too high level and more detailed information was needed to improve running of the plan for jobs and kickstart I deal further with problems with management information at paragraph 293 below.

263. I commissioned the Department's implementation unit to review Kickstart [**TC/151a - INQ000658356**]. As part of the review process we undertook deep dives on the pipeline, how to manage employers who had taken up job placements but were not recruiting sufficiently and also how to manage gateways (see for example [**TC/152 - INQ000658239; TC/153 - INQ000658240**]) The deep dives were regular and ongoing. I introduced policies on "use it or lose it" – gateways could not get more jobs until they placed people. Instead of work coaches identifying potential Kickstart placements, we started placing them on our own job website to allow claimants to search themselves. We devised a version of Gateway Plus to help sole traders but even then, with good partners like Wirral Chamber of Commerce, it was still proving difficult. Even well established recruitment agencies who had agreed to partner Gateway Plus were providing very poor results. There was a whole series of improvements made which helped take up of roles, particularly in the last few months.

264. Changes were made at the beginning of December to the criteria used to assess applications [**TC/154 - INQ000658242**]. The department stopped rejecting applications based on ratio failures and started using commercial Delphi scoring and fraud risk indicators to assess risk of business failure, which led to an uplift in approvals of around 25 – 30%. We continued to look at ways approach rejected applications to ensure that viable opportunities were not slipping through the net and in January 2021 we had put together a further proposal to rework rejected Kickstart applications

265. On or around 6 January 2021, I was taken through the plan to look at re-working Kickstart applications [**TC/155 - INQ000658245**]. I was keen that the first 100 sample cases be done quickly. I wanted to use the Lockdown as an opportunity to consolidate and get preparatory work done so that we could hit the ground running when restrictions were lifted.

266. On 12 January 2021 I gave feedback on a Kickstart narrative note, looking at the future of Kickstart [**TC/156 - INQ000658247; TC/157 - INQ000658248; TC/158 - INQ000658246**]. Among other points, I gave the steer that I wanted the 30 job threshold removed in order to make it easier for employers to provide jobs. This was in line with previous concerns that I had expressed about the threshold being unnecessary. It had also become clear that many employers had applied for 30 jobs to hit the threshold but had not used them all. I had been

content to start with the threshold to give the department time to work through how to deal with the anticipated administrative burden of receiving a lot of applications from small employers. This change would remove the requirement for smaller employers to go through Gateway companies

267. I received a memo outlining the implications of the early changes that I had suggested on 12 January 2021 [TC/159 - INQ000658326]. I was advised that the removal of the 30 job threshold should enable more employers to come forward but that it may also result in a high volume of low quality, low number bids. The most significant potential impact was highlighted as being a change as to how the department would drive volumes to 250 000 places, with previous planning assumptions indication that Gateways would account for half of these places.
268. I explained the changes to Kickstart to Parliament through a “Dear Colleague” letter [TC/160 - INQ000658252] on 28 January 2021.
269. After the 30 job threshold was removed, the Gateway route remained and Gateways continued to play a role in Kickstart. Gateways could offer a wrap-around service for potential employers who may not have had the HR systems to fulfil the extra elements expected for the Kickstarters.
270. However, by this point, informed by a review process I initiated, I had already decided that we would have no more new Gateways unless we had a specific gap in a particular geography or a certain sector. We already had lots of, if not too many, gateways. I considered they needed much more active management. We initiated a series of deep-dives and workshops to try to improve the process and to enable our pipeline to be as effective and efficient as possible. While I had taken a particular decision at this point, this was just one example in a series of improvements that had to be made for Kickstart.
271. It is fair to say that the on-off of lockdown and that happening at different times around the country were not helpful to Kickstart being as effective as it could be. However, it was also not helped by the poor management information systems within the department. I had already insisted on external consultants to come in and help sort this. This then started showing that in some areas we had more vacancies than young people eligible for Kickstart.
272. It was certainly worth driving the department to make the changes as we really wanted to help young people. By reducing the threshold, we had also enabled more employers to consider taking on Kickstarters who had been put off by a minimum of 30. Some of the roles coming forward were absolutely astonishing opportunities for young people. I could see how life

changing these roles could be for this cohort whose formative years either at the end of school or mid-university had been turned upside down from what they will have expected.

273. Candidly though, the success that Kickstart ultimately had was due in no small measure to the skills and experience of myself, my special adviser who had previously been a management consultant, and the skills of my lead non-executive director. It was a real learning curve for DWP officials implementing and operating the policy. I promoted some of the great success we had seen around the country on various visits to make sure that good practice was being replicated elsewhere. Some of this also involved DWP account managers challenging employers who were setting overly high or unnecessary expectations on candidates when recruiting for Kickstart roles. For example, jobs did not usually need someone to have a driving licence to do them, but it had become standard practice to require one on recruitment.
274. Kickstart was set to come to an end towards the end of December 2021, however there were still a large number jobs available and unfilled. As at June 2021 220,000 had been approved but only 30,000 had been filled [TC/161 – INQ000658270]. Recognising how many opportunities had been given to young people through DWP, I directed officials to look into getting Kickstart extended to the end of the financial year.
275. On 2 September 2021, I received the formal submission on the Kickstart strategic plan going forward, which included the recommendation to extend Kickstart to March 2022 [TC/162 - INQ000658272; TC/163 - INQ000653749]. The advice outlined that the extension would assist to achieve the milestone of delivering over 150 000 jobs in the scheme. Officials and I were confident that we would in fact outperform that. I agreed with the advice.
276. I was able to secure the agreement of the Chancellor to extending Kickstart to the end of March. Funding had already been allocated and we had secured further job opportunities even though not all placements had been taken up. Ultimately, the scheme supported around 168,000 placements. It is important to note that funding was only disbursed once a job was filled, and the extension allowed us to continue utilising the remaining budget. A formal cap would not have been helpful, as the objective was to maximise participation. In my view the scheme was ultimately a success in placing young people into employment and equipping them with valuable skills.

Policy reflections

277. I think the basis of Kickstart was very good. We recognised with the generous support given to help people in their current jobs through the furlough scheme, that young people who may

have never worked at all merited a substantive scheme to help them at the start of their working careers. I do think at time though Kickstart, in its policy design, ended up being over-engineered, not recognising that this was different to the financial crash and the need for greater flexibility particularly as this was part of the efforts to revitalise the economy.

278. HM Treasury had put in certain conditions for funding Kickstart. That is not surprising and as with previous job schemes like FJF, the most significant of these in terms of operational delivery was the requirement that these be considered additional jobs that would not otherwise have been created were it not for the scheme. This particular condition became challenging in the delivery of the programme quite early on. A lot of this difficulty was the basic way that officials had devised how to assess whether a job was additional or not. This included the size of the company, the proportion of people being taken on, any recent redundancies and then ultimately a pure judgement on whether they think this job was additional or would have been created anyway. This meant that tens of thousands of potential jobs were turned down. I had started seeing a significant level of rejections reported in the management information. The process had been rather slow in determining applications so I considered this as part of my review of the programme in late 2020 as set out above in paragraph 263 above, informed by feedback from potential Kickstart employers and trade bodies.

279. This is when I learned in more detail how decisions were being made. The additionality check was disproportionately applied to direct applicants versus jobs through gateways. In light of this being a pandemic, as opposed to a regular economic slump as we are experiencing now, I think we could have taken a lighter touch, particularly with medium and larger companies.

280. I was surprised that what seemed like good additional jobs that were being proposed, especially in sectors we wanted to encourage, were being turned down. I challenged the guidance and also for those rightly being turned down sought to improve the information being provided to potential employers to reduce the proportion of rejections see [TC/153 – INQ000658240]. To just get a rejection message with no rationale seemed particularly unhelpful.

281. This lack of clarity or consistency of understanding of what constituted an additional job both in the department and among employers was, alongside variable lockdowns and operational management, one of the main issues as to why Kickstart did not reach its full potential.

Geographical scope

282. The Inquiry has asked if the policy design of Kickstart made adequate provision to ensure that Kickstart jobs were created in geographical areas where there were sufficient young people on Universal Credit to fill the vacancies.

283. In the early days of the scheme, I did not want to be prescriptive about the areas where jobs should be offered did not believe DWP should calculate specific allocations. I thought that this would be overcomplicating or over engineering the scheme that we would be creating at pace. Instead I wanted us to allow willing employers to come forward with jobs (as set out above in paragraph 245). As the scheme went on, we identified that some areas like East Anglia had more Kickstarter vacancies than unemployed young people to fill the job (and some areas had more unemployed young people than vacancies). At the beginning we were not sufficiently agile in recognising this mismatch which was potentially wasteful in use of resources, though the money allocated to the employers on creation of a Kickstart job was not paid over until after the job was actually filled. The same was true in the opposite direction – perhaps not enough jobs for everyone unemployed but also jobs not being filled when we had plenty of young people looking for work. As the scheme went on, we had a better sense of what was actually happening with youth unemployment rather than relying on early forecasts, and we had better management information. That helped us to focus on the filling and creating of jobs (and subsequently allocating funding) to match need. Better information also helped us to identify poor-performing gateways who had been allocated funding but not filled their jobs. We responded to this by creating new roles of account managers for gateways undertaking performance management who could reduce job allocations and recommend termination of contracts with gateways where appropriate.

284. I deliberately did not take a geographic allocation approach in devising Kickstart, though I later discovered that a “jobshare” approach (where officials would estimate a national demand figure and then allocate the target for Kickstart placements across the internal regions according to the resources available) was a normal way for DWP operational officials to allocate resources across the country although it was definitely never the case so far as I am aware, that a job that was eligible for kickstart funding was not given funding on the basis of any notional regional allocation of places. I was mindful though that we wanted to make sure every young person possible could get an opportunity and which is why it was important to reach the goal of removing the 30-job threshold barrier (which was a barrier to smaller employers participating in the scheme, as initially they could do so only by going through a gateway). We had more detailed the scheme progressed.

Target group

285. The Inquiry has asked why Kickstart was not subsequently expanded beyond 16 – 24 year-olds on Universal Credit. I think keeping our focus on young people was right. We had plenty of vacancies to fill and plenty of young people unemployed. So the scheme did not necessarily need to extend beyond that that age group.
286. The Inquiry has asked about advice I sought about expanding Kickstart to claimants on ESA, JSA and PIP. My recollection is that clearly we had jobs to fill and so I asked why would we unnecessarily hold back the opportunities for young people already claiming benefits. It would be for employers to decide whether to recruit. However, I was told about operational difficulties in making this happen as set out below.
287. On 19 February 2021, I received advice, alongside the Minister for Employment, on expanding the eligibility of the Kickstart Scheme to include claimants on ESA, JSA, and PIP **[TC/164 - INQ000592945]**. The submission estimated that approximately 11,000 young people claiming ESA and 5,000 claiming JSA could potentially be eligible for referral to a Kickstart job. As for PIP claimants, those eligible for Kickstart would also be receiving Universal Credit or a legacy benefit. Officials suggested expanding the scheme to this group was not expected to significantly increase the number of eligible young people.
288. Further key challenges in extending Kickstart eligibility, included service design, technology, and Jobcentre Plus capacity. Kickstart had been built around Universal Credit work coaches, and any shift away from focusing on Universal Credit claimants—either in the short or medium term—would have required a significant restructuring of the supporting services. Officials suggested this would have been resource-intensive and risked exacerbating the existing Universal Credit backlog. Additionally, Jobcentres had minimal engagement with ESA claimants, meaning new processes and interventions would have needed to be developed to assess eligibility and match individuals to suitable roles. For example, claimants who received ESA could work up to 16 hours without losing their benefits. A Kickstart contract would take them over this level. While this may have been desirable, it would have required quite a lot more consideration of Jobcentre Plus’s capacity to deliver for this cohort. The submission also noted that DWP was keen to encourage claimants on legacy benefits to consider the advantages of UC and make the move to UC voluntarily. A good proportion of legacy claimants would be financially better off on UC and it was thought that combining that with other positives – for example access to the Kickstart Scheme may encourage more claimants to make the move. The submission recommended that in light of the relatively low numbers of potentially

eligible claimants and the high cost/resource requirement of extending the scheme we continue to focus Kickstart on the current target group of young people aged 16-24 on UC.

289. I recognised the challenges involved in expanding Kickstart eligibility to ESA and proposed that instead that while we should not expand eligibility to ESA, the Department should increase signposting to other support available through the Plan for Jobs for individuals with disabilities and health conditions, support of which they may not have been aware [TC/164a - INQ000658355].

Launch and extension

290. The Inquiry has asked about there being low confidence that Kickstart would meet the value for money test when it was in development in July 2020. In fact, the submission dated 24 July 2020 [TC/165 - INQ000592929] suggested that 16 - 24 year olds on benefits would represent "strong value for money". However, it would be for the accounting officer, the Permanent Secretary, to advise me if he felt this were poor value for money. I do recall him advising that he was content for Kickstart to be launched however he wanted to do more work before allowing any jobs to start. My recollection is this was about fraud risk rather than other value for money issues. I do not recall the prospect of a ministerial direction ever being raised with me.

Accessibility

291. The Inquiry has asked whether I consider that the scheme was adequately designed to ensure that it would be accessible to young people with a disability or health condition on Universal Credit. Disability was one of the areas for which DWP had responsibility across government, and the interests of people with disabilities was a consistent factor in our consideration of UC and in all decisions taken at DWP. We had the minister for Disabled People.

292. As set out above at paragraphs 224 - 230, the Kickstart Scheme was rooted in the FJF, with the primary distinction being the increased involvement of the private sector. There had previously been evaluations of the FJF, which did not highlight any accessibility concerns for disabled individuals. We had no reason to believe that that position would change in respect of Kickstart. I also was clear that Access to Work would be available for any Kickstarters. Examples of people with disabilities succeeding through the Kickstart scheme can be seen at [TC/165a - INQ000658354].

Data modelling and analysis

293. The data modelling undertaken in relation to Kickstart was done through DWP's normal processes. I was generally content with the data and modelling that we had available for the creation of Kickstart. Where issues arose was with the management information once Kickstart was operational. As outlined above at paragraph 270, we had to improve our understanding of the pipeline of creating and filling jobs, with additional assessment of the performance of Gateways. In order to do this, I eventually decided to hire external consultants to improve the systems.

Fraud and risk monitoring

294. The risk of fraud and error in the Kickstart scheme was recognised in the initial policy design process. We certainly anticipated that there would be fraudulent applications with the prospect of grants being available. I received a submission on 11 August 2020 [**TC/166 - INQ000658345; TC/138 - INQ000658230**] which contained initial advice on how the department planned to protect value for money by implementing proposed controls to mitigate and manage the risk to fraud and error, while ensuring these checks do not prevent participation from employers or umbrella organisations. The main areas of fraud and error risk identified and controls are set out above at paragraph 251.

295. These risk management and mitigation measures included, for example, the identification of fraud via irregularities on the Spotlight system; the withdrawal of relevant vacancies; cancelling grant agreements; confirming that the bank details of grant recipients matched the organisation name; checking employers through the Cabinet Office's Spotlight database; and checking participants' identities with DWP records and HM Revenue and Customs Real Time Information to confirm that the participant was being paid.

296. I was reasonably confident that by using the PAYE system or reputable organisations through Gateway Plus that fraud would be limited. The greater risk was whether training grants would be appropriately spent. That would require ongoing check-ins with the employers or gateways, and the participants themselves.

297. Regrettably, there were examples of fraud. Some of these were identified by emails sent to me from members of the public, which I shared with officials. Some attempts were thwarted by our fraud team. There was a particularly sophisticated coordinated attempt to defraud about £9M, which was stopped. There had been sufficient concerns from the start which, as the

programme grew, were sufficient for the department to set up a Complex Cases Team in May 2021. The Complex Case Resolution Team reviewed over 1500 cases, of which the Complex Case Review Board determined to reduce or terminate 656 grant agreements. The purpose of the Complex Case Review Board was to review evidence and make decisions to cap applications and rescind grant funding where concerns had arisen about employers, gateways and/or their linked employers.

298. We continued throughout the lifetime of the scheme to thwart fraud, protect taxpayers' money and support our Kickstarters.

Implementation and delivery

299. Kickstart was initially implemented as a "minimum viable product" which means it was made as simply as possible to be usable and consequently its design continued while it was operational. The expected rise in youth unemployment with the planned cessation of the original Furlough scheme in November 2020 meant that it was important to ensure proper support was available as early as possible for this key cohort. Kickstart was therefore developed quickly in time for the scheme to take on its first placement in November 2020.

300. It was to be expected that with the rapid creation of this programme that it would need to be assessed while in live running and improvements were made accordingly after a series of workshops, deep-dives and weekly monitoring.

301. I believe good efforts were made for participants to have the chance to work in a decent job. As well as the protections outlined above in paragraph 252, I initiated for work coaches to proactively call people they had placed to have a sense check on whether the job was what they had both expected, account managers had a responsibility to check in where Gateway companies were used.

Reflections

302. I have already included my thoughts at various points above. I have not covered every single change we made nor every decision we considered nor every initiative undertaken. While at times it could be frustrating, it was also exceptionally rewarding, especially when meeting the young people for whom this scheme had made a huge difference to their lives. By the autumn of 2021, the scheme was in a pretty good place. It would have been even better if we had managed to uncover some of the issues even earlier than we did so we could have helped even more than the 168,000 participants who ultimately benefitted from the scheme.

303. I was disappointed that we did not have more involvement from local authorities as gateways. Local authorities have links with local organisations which may be a natural mechanism for job creation, and I considered Kickstart was a golden opportunity for authorities themselves to create additional jobs (for example by replacing roles, albeit temporarily, that had been cut back in the last decade). However, I understood, and somewhat anticipated, that local authorities were stretched dealing with supporting local communities during Covid-19. I also recall from discussions with work coaches that several local authority buildings were closed and their gateways were not filling the jobs. The programme had a strong focus on private employers and this was essential for generating the maximum number of jobs.
304. For some employers, Kickstart provided a useful route to proactively support young people with disabilities. I recall Severn Trent Water had recruited some young people with health conditions and disabilities under the scheme.
305. For the inquiry though, there is one remaining point about value for money and “double” payments. In March 2020 I informed my officials that was keen to open up Kickstart to young people on other programmes (for example Work and Health Programme, Job Entry Targeted Support (“Jets”) and the Youth Offer) [TC/164a – INQ000658355]. Officials were concerned that there could be poor value for money resulting from paying a course provider for success of getting someone into a role where the role was itself funded by DWP. That could also include a provider being a gateway. I pushed back hard on this as it seemed we were applying unnecessary rules barring young people from having the chance to get a six-month long job and all the benefits that would bring. This was clearly against our fundamental principles to help young people get into work. On 4 June 2020 I received a submission on the interactions between Kickstart and other programmes (Job Finding Support; and Work and Health Programme Job Entry: Targeted Support (JETS)) [TC/168 - INQ000658504]. This submission recorded that excluding young people on other programs from Kickstart was also providing difficulties for work coaches, trying to work out best how to help young people into work (the risk was that work coaches may be reluctant to refer young people to other programmes which might benefit them, if this would prevent the young person taking up a Kickstart opportunity in the near future). The submission also discussed value for money and commercial concerns, and how these concerns could be reduced or mitigated. The submission recommended three alternative approaches, and I decided to go with the third of these alternatives, modified to allow overlap between Kickstart and Restart and IPES. The effect of my decision was to permit young people to take up a Kickstart job before or after participating in ESF programmes and NEA, or on request whilst participating in Restart, IPES, JFS, JETS and WHP. Work would be

done on possible amendments to provider contracts to minimise the risk of double payment [TC/167 - INQ000658263].

306. Value for money is, of course of crucial importance when spending public money but in the case of the Kickstart programme my view was that analysis of value for money should take into account the long term benefits of getting people into work. It was also necessary to recognise in the time of a pandemic, we had to be flexible.

Part H: Job Entry: Targeted Support (“JETS”)

307. Prior to the pandemic, DWP focused external employment support programmes towards claimants that were harder to help or were longer-term unemployed, while the majority of claimants would interact regularly with a work coach to help in their search for a job. However, the restrictions put in place during the Covid-19 pandemic meant that this interaction was initially suspended and then limited. This created a gap in support for the newly unemployed which could potentially lead to more long-term unemployment.

308. JETS, as part of the ‘Plan for Jobs’, was designed for people who were still quite early on in their time being unemployed – between 3 months and a year. JETS provided up to 6 months of tailored employment support services for these individuals. For simplicity and speed, this programme was created by contract variations of existing Work and Health Programme (“WHP”) provision and suppliers in England and Wales.

309. As this programme was distinct to the existing and ongoing WHP provisions, I considered it required a distinct branding as part of the Plan for Jobs. Branding individual programmes was an important aspect for me as it would help differentiate the various schemes for both claimants and work coaches, while giving a sense of purpose to these schemes. This became somewhat contentious with advice regarding intellectual property. I am very well aware of IP. I used to work for a large company selling branded goods. I felt that the department was at the time causing delay by being overly-cautious about the risk of IP infringements. I use JETS as an example. I proposed JETS as the programme name. When I undertook my own research, I learned that JETS was the brand of the American Football team and considered that the risk of the American Football Team taking proceedings to stop us using the brand for an employment support scheme in the circumstances of Covid was very low [TC/169 - INQ000658250].

310. As WHP was usually for the long-term unemployed (longer than 12 months) and such programmes are devolved to the Scottish government, no provision existed in Scotland

through which DWP could run JETS. That is why the DWP JETS programme took slightly longer to implement in Scotland.

Key decisions

The decision to introduce JETS in October 2020

311. Following my initial agreement in May 2020 for the development of a cost-effective interim solution for people who became unemployed as a result of the pandemic [TC/170 - INQ000658314], I received a submission from officials on 3 June 2020. This sought my agreement to expand the WHP in order to design and provide provision for the new post-Covid-19 unemployed customer group as soon as possible [TC/171 - INQ000658315]. The WHP is an initiative to help people with disabilities, long-term unemployed, and other specified vulnerable groups to find and sustain work. The submission recommended:

311.1. The objectives should be to get help in place as quickly as possible, consistent with the good use of resources, and fitting with other provision, and fully protecting the service to disabled people and other WHP client groups.

311.2. That the existing WHP contracts be used to get support in place as quickly as possible (predicted as September 2020 at the earliest).

311.3. That support should be focused on the 3-6 month unemployed, which would ensure support could be offered to the first and subsequent groups of post-Covid unemployed.

312. I attended a business stakeholder session on 3 June 2020 [TC/118 - INQ000658212] which aided my thinking on how to help people into work. I had also agreed to create a taskforce but that evolved slightly later.

313. On 5 June 2020, I provided steers through my private office [TC/172 - INQ000658210]. I advised that “a sector approach with a regional sub focus” would be key, and that people who do not bounce back may need assistance to transfer skills to another sector. I was also clear that people may need help with CV writing if they have not had to apply for a job for many years.

314. Following my steers, I received further advice from officials on 16 June 2020 [TC/173 - INQ000658213].

315. On 20 June 2020, I received a submission which sought my agreement on the proposed high-level design of support for people either more than 3 or more than 6 months unemployed (the question whether eligibility would be after 3 or 6 months was still to be decided) post-Covid **[TC/174 - INQ000658316]**. The design recommendations included:
- 315.1. Support be voluntary and referrals at work coach discretion with suitability criteria to differentiate between people who can self-serve through 'Find a Job' (which, prior to the pandemic, was the second most used government website) and those who would require more intensive support;
 - 315.2. Provision would last for up to six months and include assistance with job searching, mental health support, reassurance about working in a post pandemic environment, support to change sectors if appropriate and signposting to reskilling opportunities; and
 - 315.3. The proposed scheme should last for up to one year with the potential to extend for a further year.
316. My initial feedback was provided through my private office on 21 June 2020 and contained follow up questions on specific policy points raised in the submission ahead of a meeting with officials **[TC/175 - INQ000658214]**. At the time, I was content with the recommendations that personalised support should be prioritised based on need and aimed primarily at people unemployed for over three months after an initial period with Jobcentre Plus (where possible) and using the Job Help Website and Find a Job **[TC/176 - INQ000653799]**.
317. A further and final submission was sent for my approval on 1 July 2020 **[TC/176 - INQ000653799]** which provided further information on capacity and cost and sought my agreement on policy so that officials could proceed to negotiate with WHP providers. This submission also included a recommendation (based on my previous steer) that access to support be for people unemployed for at least three months based on need. The decision to target this cohort was based on DWP experience that the three month mark is often a time when and individuals motivation and will to find a new employment decreases, and they need extra assistance to prevent longer-term unemployment.
318. Subject to receiving clarification on several funding points raised in the submission, my private office confirmed that I was content to go ahead on 2 July 2020 **[TC/177 - INQ000658217]**.

319. JETS was subsequently launched by DWP in England and Wales on 5 October 2020 [TC/178 - INQ000658285].

The decision to introduce JETS in Scotland

320. As set out above (paragraph 308), JETS was created by contract variations of existing Work and Health Programme (“WHP”) provision and suppliers in England and Wales. These existing WHP provision contracts did not cover Scotland, because support for “people at risk of long term unemployment” (over 12 months) was a devolved matter. The Scottish Government provided support similar to the WHP in England and Wales through Fair Start Scotland contracts. JETS provided support to people who had been unemployed for 3 months, it did not fall under the devolved powers in the Scotland 2016 Act, which covered people at risk of long-term unemployment and where the individual had been unemployed for at least a year. We therefore needed to consider how the UK government could deliver JETS in Scotland. On 1 July 2020, I received a submission [TC/179 - INQ000658215] setting out 4 options to deliver equivalent JETS support in Scotland as follows:

320.1. Option 1: devolve the support and associated funding to Scottish Ministers to deliver themselves under their Skills and Training powers;

320.2. Option 2: Scottish Ministers agree to act as an agent for DWP and deliver this support through their existing Fair Start Scotland contracts;

320.3. Option 3: Contract directly to deliver provision in Scotland; or

320.4. Option 4: Provide the support via Jobcentre Plus Frontline.

321. I provided my steers on 2 July 2020 [TC/180 - INQ000658216]. My view was that the scheme should be taken forward under the functions reserved to the UK Government and indicated that “*option 3 would be better on the basis that prior agreement on funding, policy design and co-ordination agreement*” with the Scottish Government would not be necessary (and removing these extra steps would facilitate getting JETS up and running in Scotland as soon as possible).. It was also the case that the long-term unemployment rate was higher in Scotland prior to the pandemic so I did not see the need to transfer.

322. In line with my steers, officials produced a further submission on 3 July 2020 which set out the actions required to deliver the scheme in Scotland [TC/181 - INQ000653760]. This submission

confirmed the need for DWP to enter into new contractual arrangements with local providers to administer the scheme as no suitable contracts were currently in place.

323. On 6 July 2020, I provided steers through my private office that new contractual agreements in Scotland should be procured by an open market competition **[TC/182 - INQ000658218]**. I also expressed concern that provision in Scotland ought to be able to begin sooner than January 2021 (4 months after England and Wales).
324. In November 2020, the recommendation was made to use Capita Group PLC as the provider of JETS Scotland **[TC/183 - DWP00219874]** and I subsequently approved this **[TC/184 - INQ000658241]**. In approving, I questioned why the programme in Scotland was limited to 22,000 referrals. The response from officials was that it was linked to the available budget for the contract and that quality had been prioritised.
325. JETS began in Scotland in January 2021, four months after the rollout in England and Wales. As outlined above at paragraph 322, there were no suitable contracts already in place with local providers to administer the scheme in Scotland. As such, an open market competition was required to be held to locate appropriate providers, following which the contract process and scheme set up occurred. This resulted in the scheme starting in Scotland several months after it did in England and Wales.

The decision to extend JETS for a further 12 months

326. In April 2021, officials recommended that JETS be extended a further 12 months **[TC/185 - INQ000658331]**. I requested further information on the success of JETS thus far **[TC/187 - INQ000658260]**. This was provided **[TC/187 - INQ000658261]** and further discussed at a meeting. I then agreed that DWP officials could engage in discussions with HMT and non-binding talks with providers to inform them of the agreement in principle to extend the JETS programme **[TC/188 - INQ000658262; TC/191 - INQ000658265]**. I also requested that the extension of JETS Scotland be brought into line with JETS, so it would only need to be extended by a further eight months.
327. On 18 June 2021, my private office was informed that HMT had agreed to fund an extension to JETS **[TC/189 - INQ000658264]**. This was followed up by a submission **[TC/190 - INQ000653761; TC/191 - INQ000658265]** which confirmed the Chief Secretary to the Treasury was content with up to a year's extension of the JETS programme on reduced volumes, subject to:

- 327.1. DWP returning an updated full business case to HM Treasury for formal spending approval.
- 327.2. The final costs in the updated full business case do not exceed the costs presented to the Chief Secretary to the Treasury (£110m over two financial years).
- 327.3. Returning detailed information to HMT setting out an updated evaluation approach, how JETS extension aligns with the levelling up agenda and presenting a joined-up approach with the Department for Education.

328. The submission recommended that I agree to the extension following HMT's agreement on funding. The scheme was able to be extended for up to 12 months in England and Wales, and 8 months and 6 days in Scotland. I confirmed I was content to proceed with the extension on 21 June 2021 [TC/192 - INQ000658267]. The extension was a cost-effective measure and continued to add to the tools we could use to assist those affected during this unsteady period.

The decision to end JETS in September 2022

329. The JETS scheme ended on 30 September 2022 on expiry of the extensions proposed [TC/190 - INQ000653761]. I am of the view that this was the right time for the scheme to end, as we were focusing on moving away from temporary pandemic measures and focusing on other long-term programmes to get people back into work.

Policy design

330. I made the decision, with the agreement of the Minister for Employment and Minister for Disabled People, to introduce JETS as it would help people who had become unemployed as a result of Covid-19, and who are closer to the labour market, receive support to help them back into work.

331. As part of creating the Plan for Jobs, there was extensive engagement between DWP and HMT officials through a cell. This engagement included the design and plans for future evaluation of the JETS programme. I had meetings on the Plan for Jobs more broadly with the Chancellor from time to time, and some of these discussions would have included JETS.

332. One of the key objectives of JETS was that it should be complementary to the rest of the Plan for Jobs employment interventions package and existing DWP national employment support

(including the WHP and Intensive Personalised Employment Support, both of which were specifically designed to provide intensive employment support for disabled people, people with health conditions and other disadvantages). Another key objective was that it should provide support whilst longer-term programmes were designed, and other provisions put in place (such as Restart which commenced delivery in July 2021).

333. JETS was delivered alongside other support provided under the 'Plan for Jobs' umbrella, including the Job Finding Scheme which focused on providing light touch support to those unemployed for less than 13 weeks.
334. JETS provided a cost-effective interim solution to ensure customers who were unemployed following the Covid-19 restrictions, including those who may be closer to the labour market, received support to help them back into work, reducing the time spent on benefits and preventing them becoming long term unemployed. This was achieved through a contract variation to commission new provision from pre-existing WHP suppliers in England and Wales. This included delivery by Local Government partners in the Greater Manchester and London areas, who already provided WHP. The key benefit of utilising the existing WHP contracts was the reduced timeframe for implementing the programme, being shorter than undertaking a procurement exercise for new contracts.
335. The WHP was not delivered in Scotland as equivalent support was devolved under the Scotland 2016 Act. As a new contract was required to be procured to deliver JETS in Scotland, the programme was introduced four months after the support in England and Wales. The Scottish Government also continued to provide other support through its Fair Start Scotland programme.
336. The Plan for Jobs was designed for Great Britain only. JETS was not implemented in Northern Ireland. The implementation of similar support will have been a decision for the Northern Ireland government.
337. I undertook limited stakeholder engagement in my role, as these duties were normally delegated to Ministers. In relation to JETS I am aware that Mims Davies, the Minister for Employment, met providers regularly and will have attended a variety of meetings with various stakeholders, as this formed part of her portfolio.
338. I understand that changes were made to JETS to improve referrals made by work coaches as a result of stakeholder feedback received. This feedback was from suppliers who reported that although they were receiving lots of referrals from work coaches, not all of these referrals

translated into individuals starting in the JETS scheme for a number of factors including suitability. Through increased reporting and oversight, managers were able to rectify this issue by working more closely with their job centres to evaluate specific referral cases to ascertain whether an individual was suitable and likely to start the course.

Implementation and delivery

339. As outlined above, the JETS programme began in October 2020 in England and Wales and was set to initially run for one year. However, it was later extended until September 2022 in anticipation of a spike in unemployment resulting from the end of the Coronavirus Job Retention Scheme on 30 September 2021. The scheme operated in Scotland from January 2021 to September 2022. JETS was devolved to Local Government Partnerships in London and Greater Manchester. There were also national and regional variations which could be accommodated by adapting existing contracts with WHP providers.

340. In England and Wales, JETS was delivered through WHP contracted providers under a Cost-Plus payment model – with payments set at 5% above the cost per participant. Referrals to the programme were made by work coaches in Jobcentre Plus offices based on suitability and interest – participation was entirely voluntary. After the referral, providers set up a first meeting with participants to discuss a tailored support plan to help them move back to employment. Elements included but were not limited to:

- 340.1. personalised approach - including regular adviser contact to agree a tailored action plan that helped build the relationship and facilitate a collaborative approach to getting the participant back into employment;
- 340.2. diagnostic screening - including IT skills and basic skills capability assessments;
- 340.3. job search support - including CV writing, application process, interview skills;
- 340.4. transferable skills - support to consider different employment sectors/routes and ways of working;
- 340.5. re-building confidence and self-efficacy in Post Covid-19 environment – including support for anxieties about working in a Post Covid-19 environment with a peer support network and potential access to mental health and wellbeing support;

340.6. advice and guidance for those wishing to change sector – e.g., building on the sector based ‘Step Into’ guides; and

340.7. signposting clients and supporting access to reskilling offers – (National Careers Service, Further Education colleges, Sector Based Work Academies and Fair Start Scotland), via their Jobcentre Plus work coach where required.

341. While we worked closely with HMT on the design and funding of the scheme, the scheme itself was implemented and delivered through the existing DWP WHP programme, and as such we did not need to work with other departments or ministers on the implementation of JETS.

342. DWP issued provider guidance documents for JETS in England, Wales and Scotland. These set out the policy for the programmes, support that providers were expected to deliver for customers and the performance framework including job outcome expectations and monitoring requirements. These guidance documents are all exhibited in Section 6 of DWP’s Module 9 corporate statement.

343. JETS was a tool for use by work coaches in discussion with claimants, and they were primarily responsible for making eligible individuals aware of the JETS programme during consultations.

344. The Inquiry has asked about the extent to which HMT’s decision to extend the Coronavirus Job Retention Scheme in Autumn 2020 impacted the effectiveness of JETS. I am not aware that it impacted JETS in a particular way.

Monitoring and evaluation

345. The Inquiry has asked about the monitoring and evaluation of the JETS scheme.

Monitoring

346. During the pandemic, I held a weekly Plan for Jobs meeting to review and monitor all the programmes (see an example readout of a weekly meeting that occurred on 28 October 2021 [TC/193 - INQ000658277]). We also had a management information report which evolved over time in response to my push for more detailed, site by site data. Every now and again, we chose to do a deep dive on a particular programme. For an example of a deep dive on JETS see [TC/194 - INQ000653781].

347. Key Performance Indicators for JETS were developed by our commercial directorate [TC/195 - INQ000658329] and used by the teams to monitor the performance of our contracted providers throughout the pandemic. These Key Performance Indicators included oversight of customer service standards in relation to participant starts. I approved these reportable Key Performance Indicators on 26 March 2021 [TC/196 - INQ000658258].

Evaluation

348. DWP carried out qualitative research [see page 17 TC/197 – INQ000653816] which documented the experiences of those participating in JETS and also the views from those responsible for its delivery. The findings were generated from a total of 67 interviews: 40 with JETS participants, 12 with staff at DWP, 13 with JETS programme providers and 2 from staff at Local Government Partnerships across 4 different areas of the country.

349. The research identified three key areas of support: employability support (CV writing, job search and application support, interview preparation and career advice); material support (digital device support, transport costs, clothing and uniform provision, training and vouchers); and referral to other support services (including mental health services, confidence building courses and money management courses).

350. In general, the research found that participants had a positive experience from JETS; with provider staff promptly addressing negative feedback. Outcomes for individuals in the scheme included securing employment, improving confidence, and a better understanding of their transferable skills.

351. Jobcentre staff reported that the programme was overall able to bring participants closer to the labour market (even when participation did not always result in a job offer). On the other hand, provider staff thought job seekers should have been given more information about the programme at the point of referral and considered some individuals would have benefited more from other provisions (especially those with more complex needs).

352. Personal circumstances – mainly health conditions (mental/physical) – limited some participants' ability to find work, with local factors influencing the types of work available (i.e., industries hiring or seasonal work). The study also offered some insight relevant to the impact analysis around how people were referred and why people didn't start after being referred. Among the reasons listed as to why some individuals did not start the provision include the scheme being voluntary, finding a job before the support started, and perceived added

pressure to find employment. In addition, the study found that personal circumstances such as childcare, age, IT literacy, and learning difficulties, combined with local factors such as limited public transport, might have deterred some individuals from participating in JETS.

353. DWP published an Impact Evaluation Report of JETS on 6 February 2025, which estimated the impact and cost effectiveness of JETS [TC/197 - INQ000653816]. The findings were as follows:

- 353.1. That over the two years following referral to JETS, individuals that received support from the scheme spent on average 53 more days in payrolled employment (7.2 pp) and 11 fewer days on out-of-work or low-income benefits (1.6 pp) than the comparison group. I understand that the reason payrolled employment does not automatically result in an equal benefit reduction is due to the design of the benefit system, as lower income levels from employment are compatible with the receipt of Universal Credit.
- 353.2. JETS participation reduced the time spent on other out-of-work/low-income benefits (with no searching for work requirements) and leaving the labour market (not in employment nor on benefits) by 2.9 pp. By the end of the observation period JETS participants had accumulated, on average, £2,549 in additional earnings and were 10.2 pp less likely to remain jobless (unable to find a job for two years).
- 353.3. In assessing the employment outcomes of an early group of participants (referred to the programme between October and November 2020), estimates show, on average, 95 additional days spent in payrolled employment (8.7 pp), 26 fewer days spent on out-of-work or low-income benefits (2.4 pp), and £5,335 additional earnings over a period of 3 years.
- 353.4. At an estimated cost of £823 per participant, the Cost Benefit Analysis assessing the value for money of the scheme showed that JETS generated a fiscal benefit of £1.28 – £1.41 after two years for each £1 spent on the scheme (mainly through benefit-related savings and taxes returned to the Exchequer).
- 353.5. In an additional three years, JETS is estimated to generate a fiscal benefit of £3.53 – £3.83, and a return on investment of £5.93 – £6.35 over 5 years for each £1 spent on the programme.

354. These evaluation exercises looked at the impact and effectiveness of the JETS scheme in England and Wales, and included statistical data for Scotland. .
355. DWP did monitor and evaluate the impact and effectiveness of JETS across economically and socially vulnerable groups. An initial Equalities Analysis [TC/198 - INQ000653820] was developed for the programme, but the unprecedented circumstances of the pandemic made it hard to predict the demographics and protected characteristics of the participants that would use the programme. The expectation was that all protected characteristics would have access to the support and no specific disparities were identified. It was considered likely to impact men to a greater extent than women as males are likely to make up a proportionately larger percentage of some groups eligible for referral (reflecting the proportionate number of males in certain categories in receipt of benefits compared to women).
356. The support was not specifically designed, for example, for people with a disability or health condition. Intensive employment support specifically provided for people with a disability or health condition continued to be available through the Work and Health Programme and Intensive Personalised Employment Support.
357. Demographic analysis was published in the impact evaluation (Job Entry: Targeted Support impact evaluation, published on 6 February 2025) [TC/197 - INQ000653816] as follows:
- 357.1. Across all age groups (in England, Wales and Scotland) the percentage of programme starts was lowest for the 60+ age group and increased as the age group decreased to a high for the 25 to 29 age group before a small drop for the 18 to 24 age group. Kickstart, the large-scale programme for young people ran alongside JETS until April 2022 and it is therefore likely that the proportion of people aged 18 to 24 starting on JETS is lower than it would have been in the absence of Kickstart.
- 357.2. The percentage of participants who started on JETS and achieved a job outcome varied by region and was lowest for parts of London, Central England and North-East England at 36% and highest for North-West England at 45%. It was 37% in Scotland. All areas exceeded the job outcome expectations set in the business case.
358. I was already of the view that JETS was, overall, a good programme. These evaluation reports affirmed that JETS was good for people and good value for money.

Fraud and error

359. Established departmental checks and control processes were used for the identification and referral of participants to the programme. This included controls already in place for the management of delivery of the WHP, whose providers also delivered JETS (in England and Wales).

Reflections

360. The JETS programme worked very well. England and Wales saw a total of 460,000 individuals referred to JETS and 230,000 starts on the programme. The quick implementation of the programme was aided by the use of existing suppliers, meaning that only slight contract variations were needed for the provision to be set up. In a future pandemic, such a programme would be easy to replicate through the use of existing providers in response to employment or economic challenges that may arise.

361. Although there were some initial issues with the programme, such as the initial referral issues outlined above at paragraph 338, they were rectified quickly and the programme operated smoothly. Any problems were teased out through reporting and performance management conversations with suppliers on what processes were working well or were not working well.

362. JETS benefited from our early decision to try to focus the programme on sectors where there were growth areas or where we knew there were growth areas. This did not operate to the total exclusion of other sectors, but it did help us to get people into roles where there would be ongoing work and aide the overall national economic recovery. As a consequence of this, it was straightforward to secure further funding from HMT to extend the programme.

Part I: Restart

Key decisions

363. As was the case with other schemes, the Restart scheme was included in the Plan for Jobs in July 2020 as a large-scale employment offer for the long-term unemployed. It was initially referred to as 'Long Term Unemployed Contracted Employment Provision'.

364. Restart was founded on the Work Programme that had previously run in the department from about 2011 to 2017. Considerable work was then undertaken over the summer in 2020 on scope and design so that by the Spending Review on 25th November 2020, Restart could be

formally included as a £2.9 billion three-year long programme to provide support for long-term unemployed.

365. Various issues were considered in the design and eligibility. An example would be eligibility, including some early flexibility and how we would prioritise those for early help. I wanted those who had been made unemployed to be prioritised ahead of those who had been furloughed. I also wanted us to focus on helping those just over the 12-month mark of unemployment. I also insisted that the programme be based on it running for three years, rather than the five years proposed by officials. I agreed that the contract could include an option to extend a further two years. Examples of various iterations of the programme and some my decisions are available in the following documents: **[TC/199 – INQ000658290; TC/200 – INQ000658334; TC/201 – INQ000658335; TC/202 – INQ000658292; TC/203 – INQ000658293; TC/204 – INQ000658336]**. These do not however cover every recommendation or decision made.
366. As this was such a large project in monetary value, it was assessed by the Cabinet Office and the Infrastructure and Projects Authority **[TC/205a – INQ000658357]**. The IPA noted that the Department had deployed an experienced programme team and that all risks substantively within the departments control were being appropriately mitigated. They noted that even those risks outside the Department's control had been effectively assessed and accommodated within the business case. I recall the pride that officials had when they were told that the Permanent Secretary to the Cabinet Office had said it was the best prepared programme he had ever seen in his civil service experience. The IPA report noted that the Department was creating the conditions for Restart to start well. Despite this, the IPA found that due to residual unmitigated risks an amber rating was justified.
367. Restart started in July 2021. As an employment programme for those unemployed for over a year, Restart was available only in England and Wales.
368. The Restart programme was an intensive, "payment by results", contract employment programme. The goal behind it was to provide intensive employment support, tailored to the individual, for UC claimants who had been unemployed for a long time and on UC for 12 months or more. Initially, we decided to focus on supporting those who had been receiving UC in the Intensive Work Search Regime ("IWS") for 12 - 24 months with prioritisation of those just past 12 months. This was because, at the time, while there were various forms of immediate and intermediate support, and the WHP for those with a health condition or in one of the twelve "early access groups", we needed a programme for the long-term unemployed. We considered that it was important to provide support to this demographic because once an individual has been unemployed for 12 months, the likelihood of their long-term reliance on benefits

increases. Being such a significant contract to negotiate, Restart went live after the other schemes. Nevertheless, we were able to launch it only 15 months after the pandemic began, whereas a programme of this nature would typically take two years to build.

369. We set the initial eligibility criteria for Restart should capture individuals who had been on UC in the IWS regime between 12 and 24 months. I considered that, recognising when Restart was due to commence, the eligibility criteria were appropriate as the programme would cover people who have become unemployed at the start of the Covid-19 pandemic and had not yet managed to find a new job. A series of decisions are captured in **[TC/205 - INQ000658280]**. This included focusing on the cohort that had recently gone past the 12 months point of being unemployed.
370. By the time the scheme was formally started, the employment situation and forecast had changed considerably. Restart was going to potentially be too big for our needs, which already vindicated the decision to have negotiated just a 3-year contract but inevitably, contract variation would be needed. Credit goes to our commercial team for handling this negotiation. By the time the scheme was introduced in July 2021, we had started to consider whether to expand the eligibility criteria to allow for selection from a wider base of claimants. One of the reasons for the shift was the unexpected strong recovery in the labour market in 2021 which meant that the level of engagement and number of participants was lower than originally anticipated.
371. As noted above, following the launch of Restart in July 2021, it quickly became clear that Restart was not seeing the referral numbers that had originally been forecast by officials. In addition to the unemployment situation not being as bad as originally forecast, the main factor in this was that more people were deemed unsuitable for the programme than originally assumed **[TC/207 - INQ000658338]**. Claimants were selected through an automated identification route. Those deemed eligible and suitable for the programme at a much lower rate (30% overall) than the 82% which had been originally projected. One of the reasons for this was that many people in the target group were already on other provisions (including JETS and Kickstart). While interaction with work coaches had improved the referral rate, this meant that without action, there was an ongoing risk to DWP's ability to deliver the scale of the scheme in accordance with the business case and contracts **[TC/208 – INQ000655410]**.
372. Due to these factors, I received advice from officials on 22 September 2021 that there was a reasonable worst-case scenario where there would only be around 0.5m starts on the programme rather than the 1.4m initially profiled **[TC/208 – INQ000655410]**. Advice confirmed this was problematic and not commercially viable, as provider costs were tied to the profiled

volumes through recruitment and estate requirements, and revenue was tied to job outcomes for those referred, but impact of lower volumes on viability would depend on economic performance, and how the labour market changed (i.e. the unemployment rate). There was considerable uncertainty about what was going to happen with unemployment rates and economic performance. I was advised that in the immediate term we should continue with commercial actions already underway (such as changing eligibility requirements for the scheme to increase volumes of people accessing it), and seek to renegotiate the contracts as necessary in January 2022, when it was hoped that we would have data that enabled more robust estimates of unemployment numbers and economic performance. In response to this submission, I initiated a significant review over the next two months including requesting detailed data and analysis [TC/209a - INQ000658358; TC/207 - INQ000658338; TC/209c - INQ000658359; TC/209d - INQ000658348; TC/209e - INQ000658349; TC/209f - INQ000658273; TC/209g - INQ000658351; TC/209h - INQ000658352].

373. In October 2021, it was agreed that the eligibility criteria would be extended to include those who had been on the IWS scheme between 9 and 24 months [TC/206 - INQ000655411]. These changes were subsequently implemented in December 2021 following HMT agreement (see paragraph 375 below). Expansion of eligibility criteria would mean that the programme could reach more people. We recognised that Restart was a comprehensive, interventionist programme that could be a great help to individuals in need, and we wanted to ensure that it could reach as many such individuals as possible. Further, this was a time when other programmes were concluding, and some participants from those programmes were suitable for “graduation” to Restart.

374. We did consider whether eligibility for Restart should be expanded to claimants beyond those on UC. Relevant factors we took into account included suitability, guidance for work coaches, existing contracts in place with suppliers, claimant commitments and existing legislation. Because the overarching objective behind the Restart Programme was to support individuals who had been unemployed for a long time, it made sense to limit the programme to those on UC.

375. I subsequently agreed in December 2021 that the recommended re-negotiation of the Restart contracts should begin alongside changes in the eligibility criteria [TC/209 - INQ000658333; TC/210 - INQ000655419].

376. The Inquiry has asked me about the decision to extend referrals to the Restart Scheme until June 2026. The scheme was scheduled to run until June 2024 with the possibility of an

extension. I had no involvement in the decision to extend the scheme until June 2026 as it was made after I left my role at DWP, however, I assume that subsequent Secretaries of State have decided to make use of the Restart provision (even if rebranded).

Policy Design

377. The policy design of Restart started in July 2020 with the initial thoughts on eligibility, how long the programme should run for and other issues [TC/211 - INQ000658337]. Conversations were initiated with suppliers in early July 2020, anticipating a more detailed design phase during August 2020. Various iterations of the programme were developed through the summer and autumn (see for example [TC/202 – INQ000658292; TC/203 – INQ000658293; TC/204 – INQ000658336]), so that final costings could be made ahead of its formal announcement in the November Spending Review.
378. Restart was a more interventionist programme than others in Plan for Jobs, due to the length of the programme and the substantial barriers often faced by those who have been unemployed for 12 months or more. The interventions offered through Restart therefore ranged from help with literacy and numeracy skills to support through addiction or homelessness. As I mentioned above, the programme was tailored to the individual, to best meet each participant's needs.
379. The payment by results model was adopted to incentivise providers to help as many people as possible into sustained employment, rather than short-term solutions. Success in the programme was not defined solely by securing a job, but by ensuring that individuals who were fit for work and in need of extra support were helped into roles that suited them and which supported long-term prosperity for them and their families [TC/205 - INQ000655409].
380. Estimated demand for the programme was based on the original forecasts made by Office for Budget Responsibility and the Bank of England for long-term unemployment. As such, the contract discussions had to start straightaway to get a programme up and running effectively within a year of the original Plan for Jobs. We could have chosen not to provide for quite so many people as forecast, reducing the size of the contract at the very start, however, this would have meant that some may have missed out on support based on the initial forecasted figures.
381. As outlined above, we evaluated the programme as it was running. Adjustments were made to the contracts and the eligibility criteria as we developed the new scope of the programme based on real-time data and monitoring.

382. I consider that the Restart programme complemented other programmes in the Plan for Jobs well, and that the policy design was adequate to meet the needs of specific individuals, employers and the labour market at the time. It meant that people had more intensive support earlier, and that the overall suite of programmes had something on offer for different cohorts:

382.1. JFS effectively replaced Job Centres when they closed;

382.2. JETS supported people broadly for 3 to 9 months;

382.3. SWAPS opened up new sectors for people with transferable skills who needed some training and work experience;

382.4. Restart supported the long-term unemployed;

382.5. Kickstart was an intermediate measure for young people; and

382.6. more generally, there were also extra work coaches and an increased budget available for the flexible support fund – which was discretionary spend on a job centre level to provide support for individuals to help them get into work and stay in work.

383. The Restart scheme was designed for people who were in the Intensive Work Search regime. It was not a scheme specifically designed for disabled people, as there were already other schemes in the broader Work and Health Programme and Intensive Personalised Employment Support. Work coaches certainly referred people with disabilities and health conditions to Restart, though it was not policy to refer claimant individuals in the Limited Capability for Work Related Activity group (no work-related requirements regime). Updated guidance was issued for people with health conditions in September 2021, which outlined that Restart providers could provide support to a range of people with health needs and characteristics. These people could be referred on a discretionary basis where mandatory participation in the scheme was reasonable and achievable.

384. I understand that DWP officials consulted various stakeholders when developing and designing Restart. As outlined in previous sections, it was usual practice for ministers and officials to conduct outreach to external stakeholders. I do not recall being personally involved in external consultation with stakeholders on Restart.

385. I am aware that DWP officials worked closely with their HMT counterparts on the funding and costing of the programme. There was considerable back and forth when it came closer to the November Spending Review. We had already agreed to the Chancellor's desire to bring costs down to £2000 per person (often referred to as unit cost). When there was further pressure to reduce the unit cost, I pushed back and questioned the viability of running a long-term unemployed offer of sufficient quality [TC/213 - INQ000658291]. I do not otherwise recall working with any other department on the policy design of Restart.

Implementation and delivery

386. Restart was implemented only in England and Wales. Under the devolution settlement, the Scottish government has responsibility for those claiming benefits for over 12 months. As explained elsewhere, the Northern Ireland executive has sole responsibility for benefits in Northern Ireland.

387. The Scottish Government and Northern Ireland Executive received consequential funding to provide equivalent support for long-term unemployed people [TC/208 - INQ000655410].

388. DWP commissioned eight contractors across 12 Contract Package Areas covering England and Wales, to deliver the programme by providing coaching and tailored support to participants on the scheme. The contracts were hybrid 'payment by results' contracts, meaning that a fixed delivery fee was combined with payments dependent on the number of participants moving into sustained work. The provision of tailored support which drew on strong partnerships with employers, local stakeholders, and support services was a key feature of the scheme. Comprehensive training was delivered to Work Coaches across the department.

Monitoring and Evaluation

Monitoring

389. I am of the view that DWP's monitoring of Restart programme, which was done through DWP's normal processes, was adequate and effective in aiding my decision-making process on the programme.

390. Restart became part of the regular Plan for Jobs reporting. I also had weekly meetings with the Minister for Employment. We mapped out how many people were out of work in particular

areas, their coach levels, which sectors were lagging, which sectors were growing, the amount of people on programmes and whether all the staff were trained for the programme.

391. I also initiated further analysis and suggestions for improvement. For example, when I was provided with an update on the implementation of Restart in September 2021 and advice on next steps due to lower than expected referral numbers, the submission was accompanied with detailed data analysis of the programme to date **[TC/214 - INQ000655413; TC/215 – INQ000658273]**. As a result of the above monitoring and feedback, we made changes such as expanding the eligibility criteria which I have discussed above.
392. I am aware that officials were also monitoring service delivery closely in the early months of Restart, and were able to work with work coaches and providers to improve issues such as accessibility, consistency around the health journey and discretionary referrals **[TC/216 – INQ000655420]**.
393. The business case for Restart set out a goal of achieving at least 31% of job placements. This was achieved, and I view Restart as a successful scheme. The fact that it has continued beyond the original contract timeline indicates support for its approach.
394. Unlike other programmes that involved making a direct payment to individuals as welfare payments, there was less of an emphasis on fraud risk and error in Restart as payments made to suppliers were results based and only subsequent to contract delivery.

Evaluation

395. An Evaluation of the Restart Scheme was completed on behalf of DWP in May 2024 **[TC/217 - INQ000654465]** . It was published before the last general election. In summary, the research found that:
- 395.1. Restart supported participants to achieve positive outcomes in terms of sustainable employment outcomes and wider outcomes (including well-being, qualifications, proximity to the labour market and job searching skills);
- 395.2. Evidence from the study suggested that Restart participants were more likely to be in work than non-participants, and in the second cohort nearly 4 in 10 (38%) of follow-up participants were in work, which was an increase of 21% from the first cohort;

- 395.3. Key factors which enabled participants to achieve intermediate outcomes included their interactions with their advisor, a holistic tailored programme of individual support which was enabled by providers being able to access wider partnerships, and a good relationship between Jobcentre Plus and the provider; and
- 395.4. Nearly two-thirds (64%) of participants found the scheme useful or somewhat useful.
396. The research found that those participants with a more consistent work history, women, those with a child aged under 19, those with English as a second language and those with higher qualifications were more likely to be employed at wave one of the longitudinal study. However, findings also suggested that those with higher qualifications, those who had worked more since leaving school and the self-employed were less likely to find the scheme useful. Those with health conditions or caring responsibilities were less likely to achieve an employment outcomes.
397. The research found that referral volumes were generally lower than expected initially due to higher than predicted employment rates at the time, and participants were presenting with higher needs and more substantial barriers than anticipated.
398. On implementation, the evaluation found that there was some evidence of tailoring support for individual participants, such as those with language, childcare or transport barriers. However, the scheme was less able to help those with physical or mental health conditions, the longer-term unemployed and the more highly skilled. There was less evidence of tailoring support by local area.
399. There was varied evidence on whether mandating the scheme was effective for encouraging engagement with some participants. Administratively, the evidence suggested the process of mandation did not work effectively as providers did not generally understand the process, found it time consuming and were subject to delays from Jobcentre Plus.
400. The evaluation report included several considerations for future delivery, including:
- 400.1. DWP should explore whether more targeted referral criteria in future programmes would allow for more effective support;

- 400.2. DWP should further review the effectiveness of Customer Service Standards and performance management to ensure future programmes deliver a minimum service standard to all participants;
- 400.3. DWP should consider how to ensure that guidance on referral criteria is clearly communicated to Jobcentre Plus and providers;
- 400.4. Further consideration is needed on how to support people with health needs within future employment support provision;
- 400.5. Further consideration is needed on how the more highly skilled or those with specialist qualifications can be supported;
- 400.6. Good practice in how to recruit, train and retain Employment Advisors should be shared with providers;
- 400.7. DWP should consider how to encourage good communication between Jobcentre Plus and providers; and
- 400.8. Further consideration is needed on how to further enable partnership working and on how providers engage with employers.

401. I left DWP in September 2022 and am therefore unable to comment on whether these considerations and lessons have been taken forward or implemented by the department.

Reflections

402. Restart was an intensive support programme that we developed to help those who became long-term unemployed during the pandemic. There were some successful outcomes for people who were referred to the Restart programme and then ended up in jobs paying over £100,000 [see [TC/219 - INQ000655422](#); [TC/220 - INQ000655423](#)].

403. The Inquiry has asked if there is anything I would have done differently in the design, implementation and delivery of Restart. One change to be considered could be more flexible contracts at the start recognising the inherent uncertainty of our forecasts, though government and ministers have to realise that comes at a cost. Understandably, the contract providers have to take people on who are going to provide the training or support or guidance – which takes

time and costs money. That said, the Infrastructure Projects Authority had been very positive and given it the green light before it launched.

404. I think all the programmes in the Plan for Jobs were successful overall. We learned a lot through setting up and running Kickstart and Restart, and as a result I would expect that DWP in 2025 is much better placed to run a similar programme. I am delighted that the current government has expanded several of these programmes including SWAPS. I would also expect detailed management information reporting to now be standard in the department as a result of changes that I made. Under this current government more may be devolved to local authorities or other bodies. There is room for both but central government will have to think what tasks will fall on local government in the next pandemic while DWP has a huge jobs army working every day to help people get in and get on at work.

Part J: Data and modelling

405. DWP had significant resources dedicated to economic modelling. There was an analytical team of approximately 600 civil servants routinely involved in such work. As such, the department generally had good economic modelling at the macro level. I was satisfied that I had the necessary information to inform my policy decision-making. I am not aware of any particular deficiencies in the data in helping me make policy decisions. I do not recall seeking out data from other sources.

406. While macro level economic analysis and monitoring was a DWP strength during the pandemic, our more detailed management information was insufficient and needed significant improvement. It should now be a lot better. DWP is unusual in having operations as a core competence. We would have benefited from data collection, analysis and assessment informed by practical management and operational experience. Bringing together policy, commercial and operations fully working together routinely was needed during the pandemic.

407. A key factor in our response planning was using the reasonable worst-case scenario. I did not personally believe that the levels of unemployment predicted by the reasonable worst-case scenario would materialize. However, the government's policy was largely to plan on the basis of the reasonable worst-case scenario. In hindsight, parts of our response could have been deemed unnecessary. For example, in response to reasonable worst-case scenario RWCS modelling, which included initial forecasts of millions of unemployed people, we set up more job centres and employed more work coaches to ensure we were prepared to manage a significant increase in demand. In the future governments should consider, rather

than implementing changes based on a reasonable worst-case scenario, to implement changes based on the most likely outcome, but be prepared to change plan and to “surge” should the reasonable worst-case scenario emerge. More extensive working to more (or most) likely scenarios or being prepared to challenge external opinions (like the forecasts of unemployment) could lead to a more efficient response (and less risk that public money will be spent on measures which later turn out to have been an over-response). A lot of this is about balancing risk, considering opportunity cost and being prepared to accept something may not be working and change accordingly

Park K: Reflections and Lessons Learned

408. DWP stood up to the challenge of the Covid-19 pandemic, and largely very well. I am very proud I had the chance to lead the “Department of Wonderful People” who strived to help the nation during its challenging time in a considered, compassionate and competent way.
409. Covid-19 was not the only matter we were working on. We also were preparing for Brexit, devising new strategies on disability and health, working with other departments (e.g. with the Ministry of Justice on prison leavers), changes to pensions, reducing poverty initiatives and broader transformation. The list is not quite endless but showed a government that wanted to honour its manifesto commitments and improve people’s lives.
410. There were a lot of heroes across DWP. There are so many to consider and thank right across the country at every level. I particularly want to thank my brilliant private office and special advisers, particularly those who were involved at the very start of the pandemic and were vital to our overall success. They were truly extraordinary. I was also fortunate to work alongside my ministers who all pulled together and worked incredibly hard on the pandemic response while also making strides on new policies and activities. My non-executive directors, particularly my lead non-executive director, helped at key stages during the pandemic.
411. One of my mantras was, “Don’t let perfect become the enemy of good.” At times, the solutions put forward or suggestions that something could not be done was because options were significantly over-engineered. A good example of this occurred towards the end of the pandemic in relation to the delivery of the Cost of Living Payment. I pushed back for a much, much simpler approach and ended up suggesting a solution akin to how banks and building societies made millions of transactions every day. I was prepared to take a risk but I felt the risk was very low and so it proved to be.

412. It was important we acted at pace but not haste. That if the facts changed, we could change. It took a long time and tenacity, but we were able to significantly improve management reporting processes during the pandemic. This allowed us to have a clearer picture and better understanding across the programmes that were being implemented, allowed great areas to shine, and put a spotlight on where our performance could be better. This meant that we could more quickly change our approach accordingly if issues were identified.

413. I think civil servants were not used to such a hands-on minister or Secretary of State. This is not a criticism but for many, it was very much a new way of working. Traditionally ministers would do policy and not engage in operations. Having worked in the private sector for a world-leading business, I brought significant operational experience, a can-do approach and, importantly, was prepared to try things and accept they could go wrong. I wanted our front line to be trusted by empowering them to deliver. What mattered in the pandemic response was identifying problems that arose quickly, intervening and fixing them accordingly, and then accelerating the rollout of good practice across all areas. This required a new approach on shared understanding and setting a clear direction for the entire department. In the early parts of the pandemic, we achieved a lot of this through our daily meetings. We later got into a rhythm that was not quite so arduous, as I am conscious this drumbeat was demanding.

Reflections for a future pandemic

414. DWP has already evolved and will be even better prepared for the next pandemic or national emergency, as well as better prepared for ongoing performance management. That also includes having one system for working age benefits.

415. On easements, we were able to activate them quickly and effectively including where legislative changes were needed but in practice, it took a long time to unwind these changes. We should have been able to achieve this more easily. I think greater visibility for ministers would in itself have focused the minds of senior management on addressing this. With improvements already made, I would expect fraud and error to be considerably lower than we experienced during the pandemic.

416. Regarding fraud, we had to prioritise resources early on however, we also knew organised crime would be targeting DWP and British taxpayers. That is why I agreed to suspend the use of civil and administrative penalties for minor matters and focus on prosecuting the most serious fraud. The suspension was put in place in April 2020 initially for three months and then lifted in August 2020. **[TC/218 - INQ000658278]**. Our fraud team suspended over 150,000

claims with concerns about identity hijacking. In a single weekend, we thwarted a coordinated fraud attempt and saved approximately £1bn. Arrests were made, prosecutions were laid and fraudsters convicted. A particular gang was first arrested in May 2021 and eventually jailed in 2024. In addition to removing various easements, we also set about updating our fraud strategy, with an urgency enhanced by fraud from the pandemic. In December 2021, the Department for Work and Pensions announced a new £510 million funding boost to combat benefit fraud, primarily due to a rise in fraud during the COVID-19 pandemic. [TC/221 - INQ000658286]¹⁰. In May 2022, we published a new strategy [TC/222 – INQ000658287].

417. Plan for Jobs worked well overall. Kickstart, with some of the lessons learnt, could readily be the blueprint for the current government’s proposal for guaranteed work placements for those ‘Not in Education, Employment, or Training’.
418. Overall, the government should learn as it goes much more quickly than it is designed to do.
419. I still find it odd how ministers are not usually involved in the lessons learned process, with the main interaction for learning to be with officials and the National Audit Office. Ministers are not particularly involved in evaluations (apart from routine commissioning to justify the overall expenditure) unless they initiate them themselves, even though they are ultimately the decision-makers and responsible to Parliament and the country for delivery. An inherent reason for this is that ministers move on whereas senior civil servants tend to have greater longevity. There is something to be said about “fail fast, learn fast” mindset which is not a popular approach in public sector culture but used extensively in business. Of course, no business wants to fail either.
420. While the government should not need to rely on external management consultants to help them get good management reporting, my experience suggests that they are still likely needed as the civil service does not, largely, recruit on the basis of operational capability.
421. On broader decision-making, of course, having the best available evidence or advice is important to ministers. Knowing when that changes, why it has changed and a “so what” assessment is also key, if decisions need to be re-visited. Bringing bad news to a minister may be daunting but it still needs to be done. Too often, civil servants would try to fix things themselves and only use ministers on inter-governmental issues when “really needed”, when it could be a point to be made at a specific meeting or just a phone call that could potentially unlock issues – rather than going round circuitously. Time and opportunity cost are not factored

¹⁰ <https://www.gov.uk/government/news/510-million-to-crackdown-on-benefits-fraudsters>

into standard government thinking – a key flaw. Changing that civil service culture was beneficial to our overall performance as a department.

422. I wish I had been able to get Health and Safety Executive more regularly “in the room” at the very top level so that their practicality could have informed some of the pandemic response thinking early on. I want to give credit to the Health and Safety Executive who provided practical and pragmatic guidance on helping businesses to keep going and reopen safely. This was an important part of the economic response.

423. As a minister, you pick up the basics by learning from your Secretary of State or other ministers, in addition to your own personal work experience. As a Secretary of State, you have to be mindful to help your team develop by sharing what you consider to be best practice. A one-day course on this after about a month in office would, I expect, help ministers at least identify where else they need to develop their understanding or skills to be a good minister. For example, I was surprised at the poor understanding of statistics / probability more generally among officials and ministers. This could lead to some odd focus on particular issues rather than getting the bigger picture. This is not unique to ministers. I see this in Parliament more widely. I have also seen others try to influence a particular view or approach by using such statistics (not always deliberately). I only ever undertook one significant course as a minister – major project management. That course in itself showed me why so many projects continue to go awry. It was one of only two courses I was ever offered to do. I wish I had the opportunity to do more. I would encourage our leading businesses to help devise a basic Management 101 for Ministers and Senior Civil Servants. They as companies would find it beneficial for their interaction with government and overall for the running of our country.

Statement of Truth

I believe that the facts stated in this witness statement are true. I understand that proceedings may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief of its truth.

Signed: PD

Dated: 24 October 2025