
From: Wolfe James POLICY GROUP STRATEGY DISABILITY AND HOUSING SUPPORT[/O=EXCHANGE/OU=LINK2/CN=RECIPIENTS/CN=80438310]
Sent: Wed 18/03/2020 10:14:57 PM (UTC)
To: Farrington Katie POLICY GROUP UNIVERSAL CREDIT & EMPLOYMENT POLICY[KATIE.FARRINGTON@DWP.GSI.GOV.UK]; [REDACTED] NR POLICY GROUP WORKING AGE BENEFITS UC [REDACTED] NR @DWP.GSI.GOV.UK]
Cc: Parker Kerstin POLICY GROUP UNIVERSAL CREDIT & EMPLOYMENT POLICY[KERSTIN.PARKER@DWP.GSI.GOV.UK]; Everett Louise DWP DEPUTY DIRECTOR ESA IIS AND DMA POLICY & PERFORMANCE[LOUISE.EVERETT@DWP.GSI.GOV.UK]
Subject: RE: UC - Covid aligning ESAc, SSP and UC rates

Thanks, Katie

I think the whole thing becomes a lot simpler if we are definitely increasing the standard allowance:

- If you are otherwise healthy but have suspected covid-19: claim UC (which will already be more generous than JSA/ESA), only short term so no need for LCWRA. Some people with capital will be out, have to claim JSA(C) and be a bit worse off;
- If you've been instructed by an NHS letter to lock down for 12 weeks, claim UC and we will automatically treat you as LCWRA – which is already more generous than ESA(C). Some people with capital will be out, have to claim ESA(C) – we treat as support group, they're still a bit worse off.

I've lost the plot a bit on how this maps against SSP, but seems viable from a benefit system point of view? Please shout if not, my brain is a bit fried. If it works though we should find out urgently if it can be operationally delivered.

J

From: Farrington Katie POLICY GROUP UNIVERSAL CREDIT & EMPLOYMENT POLICY
Sent: 18 March 2020 20:21
To: [REDACTED] Name Redacted @DWP.GSI.GOV.UK>; Wolfe James POLICY GROUP STRATEGY DISABILITY AND HOUSING SUPPORT <JAMES.WOLFE@DWP.GSI.GOV.UK>
Cc: Parker Kerstin POLICY GROUP UNIVERSAL CREDIT & EMPLOYMENT POLICY <KERSTIN.PARKER@DWP.GSI.GOV.UK>
Subject: Fwd: UC - Covid aligning ESAc, SSP and UC rates

All - I have a question from Alex on these, as follows

Can't we just define covid sufferers and self isolaters as people who should receive higher rates? And not mess about with those rates. Plus then the broader standard allowance increase as well?

Good to have views before 9am - and Dave it would be good if you could join

Katie Farrington | Director for Universal Credit and Employment Policy | DWP

Begin forwarded message:

[REDACTED] Name Redacted

Date: 18 March 2020 at 20:08:48 GMT

To: Parker Kerstin POLICY GROUP UNIVERSAL CREDIT & EMPLOYMENT POLICY <KERSTIN.PARKER@DWP.GSI.GOV.UK>, Farrington Katie POLICY GROUP UNIVERSAL CREDIT & EMPLOYMENT POLICY <KATIE.FARRINGTON@DWP.GSI.GOV.UK>; **Name Redacted**

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Name Redacted <@DWP.GSI.GOV.UK>, Wolfe James POLICY GROUP STRATEGY DISABILITY AND HOUSING SUPPORT <JAMES.WOLFE@DWP.GSI.GOV.UK>, "Gray Angus POLICY GROUP EMPLOYERS, HEALTH & INCLUSIVE EMPLOYMENT" <ANGUS.GRAY@DWP.GSI.GOV.UK>; **Name Redacted** DWP Legal Services
Name Redacted POLICY GROUP FINANCIAL STRATEGY & REPORTING **NR** <@DWP.GSI.GOV.UK>, Couling Neil DWP CHANGE DIRECTOR GENERAL <NEIL.COULING@DWP.GSI.GOV.UK>; **NR** POLICY GROUP WORKING AGE BENEFITS UC **Name Redacted** POLICY GROUP UC ANALYSIS **Name Redacted** <@DWP.GSI.GOV.UK>, Mills Jonathan POLICY GROUP DIRECTOR GENERAL <JONATHAN.MILLS@DWP.GSI.GOV.UK>

Subject: RE: UC - Covid aligning ESAC, SSP and UC rates

Name Redacted

For the benefit of the chain, Secretary of State has reviewed the note and is initially attracted to the idea that we have and ESA rate of c.£111 and a UC with LCWRA at £115 recognising that this is a small discrepancy. This would be a more targeted approach rather than a wider UC uplift. You flagged that this typically has a 13 week lead in time but exceptions are made currently for terminally ill so will need to consider if similar exception can be made here. You have agreed to look into the deliverability considerations if putting people into the UC LCWRA (on an expedited timeline) and whether this could be done – to be picked up tomorrow morning with Secretary of State.

Thanks,

Name Redacted Private Secretary to the Secretary of State for Work and Pensions | Department for Work and Pensions | Tel: **Irrelevant & Sensitive**
Irrelevant & **Name Redacted** <@dwp.gsi.gov.uk>

From: Parker Kerstin POLICY GROUP UNIVERSAL CREDIT & EMPLOYMENT POLICY

Sent: 18 March 2020 18:47

To: **Name Redacted** DWP MINISTERS GOVERNANCE & STRATEGY

Name Redacted <@DWP.GSI.GOV.UK>; Farrington Katie POLICY GROUP UNIVERSAL CREDIT & EMPLOYMENT POLICY <KATIE.FARRINGTON@DWP.GSI.GOV.UK>;

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GENERAL <JONATHAN.MILLS@DWP.GSI.GOV.UK>

Subject: RE: UC - Covid aligning ESAC, SSP and UC rates

Hi **Name Redacted**

As discussed, I **LPP**

LPP

Kerstin

Kerstin Parker | Deputy Director for Universal Credit Policy | Department for Work and
Pensions |

Caxton House | Tothill Street | London SW1H 9NA

Tel: **Irrelevant & Sensitive**

E M A I L B L O C K

From: **Name Redacted** DWP MINISTERS GOVERNANCE & STRATEGY

Sent: 18 March 2020 18:26

To: Parker Kerstin POLICY GROUP UNIVERSAL CREDIT & EMPLOYMENT POLICY
<KERSTIN.PARKER@DWP.GSI.GOV.UK>; Farrington Katie POLICY GROUP UNIVERSAL
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GROUP DIRECTOR GENERAL <JONATHAN.MILLS@DWP.GSI.GOV.UK>

Subject: RE: UC - Covid aligning ESAC, SSP and UC rates

Hi Kerstin

Thanks to all – my reading is a strong recommendation for an increase in
UC standard allowance, but not to adjust other rates. As I understand it
this would still mean that a difference in rates for those going to SSP, ESA
and UC respectively. Can I confirm the legal advice on this? Are lawyers

comfortable with the risk here?

Grateful for response asap.

Thanks – **Name Redacted**

Name Redacted Private Secretary to the Secretary of State for Work and Pensions | Department for Work and Pensions | Tel **Irrelevant & Sensitive**

Irrelevant & Sensitive **Name Redacted** @dwp.gsi.gov.uk

From: Parker Kerstin POLICY GROUP UNIVERSAL CREDIT & EMPLOYMENT POLICY

Sent: 18 March 2020 15:38

To: Farrington Katie POLICY GROUP UNIVERSAL CREDIT & EMPLOYMENT POLICY

<KATIE.FARRINGTON@DWP.GSI.GOV.UK> **Name Redacted** Digital Group London Victoria Street **Name Redacted** POLICY GROUP WORKING

AGE BENEFITS UC **Name Redacted** POLICY GROUP

WORKING AGE BENEFITS UC **Name Redacted** POLICY

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GENERAL <JONATHAN.MILLS@DWP.GSI.GOV.UK>

Cc **Name Redacted** DWP MINISTERS GOVERNANCE & STRATEGY

Name Redacted @DWP.GSI.GOV.UK>

Subject: UC - Covid aligning ESAC, SSP and UC rates

Hi everyone

Please see below a the proposed submission for the rates increases in UC with thanks to **NR** (who due to connectivity couldn't circulate). I'll transfer this into submission format now, but in the meantime grateful for any urgent comments in the next half an hour. Many thanks

NR what would be the amount for the ESA support rate? Adjusted for couples as appropriate.

Summary

You asked for advice on aligning the rates of contributory ESA, SSP and UC.

Timing

Urgent

Recommendation:

You note the difficulty with aligning the rates and if you wish to provide additional help you increase the UC standard allowances for all claimants.

Background:

People affected by covid 19 can access welfare support through three routes:

SSP

ESA C

UC if not entitled to ESA c or SSP or seeking additional support due to their circumstances

The basic rates of support for each of these for a single person are :

SSP: £94.25pw

ESA C: £73.10pw (25 and over), £57.90 pw (under 25)

UC: £317.82 pcm (£73.34 pw for 25 and over), £251.77 pcm (£58.10 pw under 25)

Aligning the rates:

Aligning the rates to that of SSP requires increasing both ESA and UC rates. Whilst it would be possible to increase UC rates, it's not possible to increase the ESA rates before April 2021. We therefore considered whether it would be possible to place ESA claimants into a different group to increase the rate of ESA.

Placing Covid 19 claimants into the ESA support group would give a single person aged 25 and over £111.65 per week. However the equivalent to the support group on UC is the Limited Capability for Work Related Activity Group which would give a single person over aged 25 £115.93 per week, making UC more generous. Adding the severe disability premium to ESA would make the rate £177.50, more generous than UC LCWRA. In order to align, any of these would require an increase in the SSP rate which would have implications for employers. We've also considered whether it would be possible to increase UC rates for those affected by Covid19 only. This approach would present the following challenges:

- ∇ It would require new system build activity as a new set of rates would be required for a subset of claimants. Currently the only consideration is the age and status (single or couple) of the claimant. Providing increased rates for those affected only would require four new parameters to be coded into the system together with links to the reason for the claim being made.
- ∇ The definition of 'those affected' is likely to change over the coming days and weeks and this definition would need to be updated to allow the increased rates to be paid.
- ∇ The increased rates would need to be payable to existing claimants who have become affected and therefore entitled to these increased rates. This would generate additional change of circumstance activity at a point in time when we are having to deal with a very significant increase in new claim activity.
- ∇ An increased risk of fraud and error. Higher rates for those affected would create an incentive to claim on this basis whatever the underlying reason for the claim. Seeking to gain evidence for the claim would increase operational activity and/or add to NHS demands.
- ∇ Paying the increased rates for 7/14 days or 12 week period only would require an increase for one or three months to take account of assessment period. And in addition to the difficulties above would require additional build activity to identify duration of the increase that was applicable to switch it off at the right time.

Given these challenges, if you wish to increase any of the rates we would recommend an increase to the UC standard allowance for all claims. This will also provide additional support for those who are looking to claim UC in addition to SSP and ESA C due to their circumstances. An increase of £20 pw to all rates is estimated to cost around £3.5bn.

Legal considerations:

An increase in the standard allowance will require amendments to the UC Regulations 2013.

Public sector equality duty:

Our recommendation would apply to all new and existing UC claimants equally. WE do not therefore expect any adverse impacts for groups with protected characteristics.

Kerstin

Kerstin Parker | Deputy Director for Universal Credit Policy | Department for Work and Pensions |

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Tel: **Irrelevant & Sensitive**

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