



HOUSE OF COMMONS
LONDON SW1A 0AA

Rt Hon Dr Thérèse Coffey MP
Work and Pensions Secretary
Caxton House
Tothill Street
London
SW1H 9NA

23 March 2020

Dear Thérèse,

DWP response to the Covid-19 pandemic

Many Parliamentary colleagues and I have already written to the Chancellor in relation to the financial support needed by individuals and families. We believe that this has not been adequately addressed in the measures announced to date.

Although we broadly welcome the financial measures published in the Budget and added to last week, there are still gaps in support including for:

- the self-employed, freelancers and other workers in insecure work
- people on social security, including people in low paid work, the sick and disabled people

Financial support to workers

We recognise the huge financial undertaking that was announced in the so-called *Coronavirus Job Retention Scheme* and the commitment to pay 80% of employee wages, but this is more about shoring up businesses than protecting all workers. The Government is effectively underwriting businesses' staffing costs. It does not benefit all workers.

It must be recognised that successive Governments have supported, and even driven, the development of 'flexible' labour markets, with the demise of secure, permanent employment contracts and the protection for employees that this afforded, while increases of precarious, insecure work, including temporary, fixed term contracts, have soared. The shift in risk from economic downturns to force majeure, such as this pandemic, has moved from businesses and business owners to workers. But when the economy and businesses thrive these same workers rarely reap the rewards. Increases in freelancing and self-employment also reflect the change in the labour market.

How is the Government going to ensure that the funding available through the *Coronavirus Job Retention Scheme* goes to employees, and is not hoarded by businesses?
What is/are the delivery mechanism/s?

We understand that one London-based employer in the hospitality sector, who is to benefit from the Scheme, is making a non-key worker travel into work to paint a basement. When all but essential travel is to be avoided, how is this inappropriate behaviour to be stopped?

The adequacy, immediacy and deliverability of financial packages are key. The social security measures announced yesterday for those workers not covered by the *Coronavirus Job Retention Scheme* were completely inadequate. Given the current fragile state of the social security system and the many reviews reporting its inability to cope with current levels of demand, it is highly improbable that it will be able to deliver timely funding to tens of thousands, potentially millions of additional applicants over the next 12 weeks.

Early this week, the Government must announce measures for the self-employed, freelancers and any other status of worker not covered by the *Coronavirus Job Retention Scheme* which is equivalent to those being offered to employees. We have already been contacted by constituents who are self-employed, freelance or are in insecure work. Many have either already been laid off or have had contracts dry up from next week. Many rely totally on the income from this; they don't have savings and have no money coming in after next week. As we have heard on the news, some in the hospitality sector are also being made homeless.

For those people currently in-work, but whom become unwell or may need to self-isolate, Statutory Sick Pay needs to enable them to stay at home without risking ratcheting up their personal debt. The current level of £94.25 per week means many people who should stay at home, won't because they can't afford to. In order to control the spread of the virus, SSP must immediately increase to at least 80% of income underwritten by the Government.

As more people are required to self-isolate and social distancing requirements are inevitably extended, it is clear that hundreds of thousands if not millions more workers will not be in work.

As such a range of other measures may also need to be considered. These include:

- rental payment 'holidays' for both private rented sector and social tenants underwritten by the Government
- utility payment 'holidays' compensated by the Government (technical solutions for pre-paid meters may be needed)
- Council tax 'holidays' underwritten by the Government

Protections for people currently on social security

For those people currently on social security, we repeat the concerns that many of us have raised with you and your predecessors. The current levels of social security support for the millions of people who rely on it but particularly those of working age, is inadequate. Working age support has been parred to the bone with cuts of £37bn since 2010 driving increases in poverty for those in and out of work and their children. You will also be aware of the detrimental health impacts of, for example, Universal Credit defined in recent peer-reviewed research.

People on social security were already suffering before the Coronavirus pandemic. They were at increased risk of infection and illness by virtue of their poverty. The threat of infection from Covid-19 is no exception, and people with an existing illness, and living in poverty, are at most risk. But I have not seen this recognised by the Government either in terms of the defined 'at risk' groups or the measures the Government has announced to reduce their infection risk.

We recognise the changes to DWP policies announced in light of the pandemic, but again, these are insufficient. We hope that you will agree to proposals put forward by Child Poverty Action

Group, Joseph Rowntree Foundation, the Children's Society, Turn2Us, Citizens Advice and other charities to help protect social security claimants, including:

1. make Universal Credit loans non-repayable;
2. stop migration from legacy benefits to Universal Credit by virtue of a change in circumstances;
3. provide emergency support for children in the form of a £10 per week per child increase in child benefit;
4. suspend all work-search requirements and work preparation;
5. provide a temporary uplift in the Universal Credit standard allowance, jobseeker's allowance, employment support allowance and income support;
6. postpone the earnings disregard and capital disregards;
7. suspend all sanctions and deductions and ensure automatic immediate access to a hardship payment;
8. suspend all repeat Work Capability and Personal Independence Payment assessments;
9. suspend the requirements for all new ESA and PIP applicants to undertake an assessment;
10. provide all appellants appealing the outcomes of a WCA or PIP assessment with full support;
11. increase Local Housing Allowance support to cover local median costs;
12. provide clear written guidance for jobcentre staff, including work coaches and decision-makers, and all contractors providing assessments and work-related activity, on these arrangements.

Although we welcome the hardship fund announced in the Budget, please can you clarify how this £500,000 will be allocated to local authorities and what the delivery mechanisms are? And please can you commit to increasing this as and when it becomes necessary.

We are at war against this virus, and the Government's response needs to reflect this, providing adequate support for all.

Given the anxiety of so many people, we would be grateful for a response from you or your team before the House rises next week.

Many thanks and best wishes,

Yours sincerely



Debbie Abrahams MP
Oldham East and Saddleworth

Tonia Antoniazzi MP
Paula Barker MP
Apsana Begum MP
Karen Buck MP
Ruth Cadbury MP
Marsha de Cordova MP
Alex Cunningham MP
Janet Daby MP

Geraint Davies MP
Rosie Duffield MP
Emma Hardy MP
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Kerry McCarthy MP
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Charlotte Nichols MP
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Bell Ribeiro-Addy MP
Marie Rimmer MP
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