Rt Hon Meg Hillier
Public Accounts Committee Chair
Houses of Parliament
SW1P 3JA

18 July 2018

Dear Ms Hillier

Employment and Support Allowance

Thank you for your report and recommendations in relation to Employment and Support Allowance (ESA), published today. The Government will respond in due course. In the meantime I am writing to inform you about a relevant Written Statement that the Secretary of State for Work and Pensions has tabled in the House today.

At the hearing in May, we discussed action the Department was undertaking to correct underpayments that occurred as a result of the conversion of Incapacity Benefit claims to ESA between 2011 and 2014.

The Department has 400 staff working to review cases at pace, contacting claimants and correcting claims. So far we have paid out over £40m in arrears.

The Department has further analysed the relationship between “official error” and section 27 of the Social Security Act 1998 in regulating how and to what extent arrears can be paid. As a result of the conclusions of this analysis, we will now be paying arrears to those affected back to their date of conversion to ESA.

The Department will be contacting all those identified as potentially affected as planned. Once an individual is contacted, and the relevant information gathered, they can expect to receive appropriate payment within 12 weeks. Once contacted, individuals will be provided with a dedicated free phone number on which they can make contact with the Department.
As part of the process for correcting cases, we have gathered all the information required and also calculated the amount of benefit due between conversion and 20 October 2014. We will therefore review those cases where we have already made a payment of arrears and pay any additional arrears that are due.

Yours sincerely

[Signature]

Peter Schofield
DWP Permanent Secretary