

# Blunders over disability benefit 'will cost the taxpayer £1bn'

By Gordon Rayner POLITICAL EDITOR

TAXPAYERS will have to foot a £1bn bill to sort out botched disability benefits, a committee of MPs has said.

The Department for Work and Pensions (DWP) underpaid more than 300,000 people as a result of errors when it combined disability payments into the single Employment and Support Allowance (ESA) from 2011.

It will now pay out £920 million in historic underpayments, with the cost of administering the payments running to tens of millions per year.

The DWP claimed to have corrected the problem after it was first identified in December 2016, but as recently as February it was forced to admit that 30,000 extra cases had been identified.

The department has now tripled the number of staff trying to fix the system, from 400 to 1,200.

Frank Field, chairman of the Commons DWP select committee, said: "The DWP has been forced to admit that just the admin of fixing its own catastrophic incompetence is going to add another £40 million to the cost of this serially botched operation.

"Imagine what that money could have done instead for families across the country who are struggling to feed their children and heat their homes."

Mr Field criticised the "awful, painful, error-ridden" assessment process and "miserable and lengthy" appeal process, which has meant tens of thousands of disabled people have not been given money they were owed.

He said the total cost of correcting underpayments was likely to top £1bn after a letter from the DWP said the latest expected cost for administering

payments to 310,000 claimants would be £21 million in 2018/19 and £19 million in 2019/20, and 400 extra staff were hired in 2018/19 "directly to support the ESA underpayment exercise".

Mr Field, a former Labour MP who now sits as an independent, added that despite the "shameful, damaging waste" of the ESA errors, "we are already starting to hear about people whose incomes have been slashed because they've been wrongly advised to claim Universal Credit".

He added: "If ministers want to avoid another billion-pound scandal,

*'Just the admin of fixing the DWP's catastrophic incompetence will add £40 million to the cost'*

they need to get a grip on this, and fast."

The DWP estimates it will pay £920 million in past ESA underpayments over the financial years 2017/18 to 2019/20, down from the £970 million forecast last year.

The repayments will average around £3,000 per person, and arose from failure to assess whether claimants qualified for income-related ESA, not the less generous contribution-based ESA.

A DWP spokeswoman said: "It is only right that we prioritise ensuring all claimants affected by past ESA underpayments get the money they are owed and we have paid over £300 million so far. We have allocated the staffing and resources needed to complete this as soon as possible, without impacting any of our other customer activity and support."

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