MINISTRY OF SOCIAL DEVELOPMENT
TE MANATŪ WHAKAHIATO ORA

Report

Date: 22 March 2020 **Security Level:** BUDGET - SENSITIVE

To: Hon Carmel Sepuloni, Minister for Social Development

Impact of COVID-19 on the Ministry of Social Development's operating model

Purpose of the report

1 This report seeks your agreement to a number of changes to the Ministry of Social Development's (MSD) operating model that aim to:

1.1 manage demand for services; and

1.2 ensure the health and safety of clients and staff by minimising potential opportunities for COVID-19 community transmission.

Recommended actions

It is recommended that you:

1 **note** that the unprecedented social and economic impacts of COVID-19 requires the Ministry of Social Development (MSD) to make urgent changes to its operating model in order to manage demand for services and ensure the health and safety of clients and staff

2 **note** that MSD proposes to take a phased approach to implementing changes to its operating model based on ease of implementation, impact on client experience and staff capacity, fiscal risk and precedent-setting

3 **agree** that all proactive face-to-face engagement with clients ceases, including engagement for the purposes of administering hardship assistance and offering employment support

Agree / Disagree

4 **note** that this will mean that MSD will be unlikely to require clients to complete work-related activities as part of their obligations to take steps to find suitable employment, as this would not be reasonable in most circumstances

5 **agree** to seek Cabinet agreement to delay the commencement of client contributions to Emergency Housing, which will require 21 dedicated processing staff, in order to free up frontline staff capacity

Agree / Disagree

6 **note** that if Cabinet agree to delay this commencement date, MSD will provide you with a further report seeking to reverse the amendments to the Welfare Programme for Special Need Grants

7 **agree** to progress the following additional options proposed in Tranche One for implementation by Friday 27 March 2020, subject to Cabinet agreement:

7.1 deferring annual reviews of client circumstances

7.2 temporarily removing the requirement for clients receiving Jobseeker Support on the grounds of a health condition, injury or disability to provide work capacity medical certificates at regular intervals

7.3 deferring Disability Allowance reviews, including for costs and medical eligibility

7.4 deferring Special Benefit expiries

Agree / Disagree

8 **note** that it is unclear how long these measures will be needed, and officials propose that this new approach to the operating model is active for an initial period of six months

9 **direct** MSD to draft a Cabinet paper, reflecting the above proposals, to be submitted to the Ad Hoc Cabinet Committee on COVID-19 Response on 25 March 2020

Agree / Disagree

10 **note** that officials are working with the Ministry of Health and Crown Law on seeking the Prime Minister's agreement to issue a domestic epidemic management notice, which will enable MSD to pay the Emergency Benefit to people who are not usually eligible (alongside a number of other powers)

11 **note** that officials will discuss this advice with you on Monday 23 March 2020.

s 9(2)(a)

Policy Manager
Ministry of Social Development

22-3-2020
Date

Hon Carmel Sepuloni
Minister for Social Development

Date

We must prepare to deliver services differently in response to COVID-19

2 The Ministry of Social Development (MSD) generally has the capacity to manage unforeseen events, such as natural disasters and other emergencies. However, COVID-19 has had an unprecedented societal and economic impact on New Zealand and will continue to do so for the foreseeable future.

3 We expect these impacts will exceed MSD's current capacity to take on new work and maintain current levels of services, requiring MSD to change how it operates to:

3.1 manage the increase in demand for financial support

3.2 keep staff and clients safe and reduce the risk of COVID-19 community transmission.

4 With these objectives in mind, we need to make urgent changes to our operating model. This means looking at the processes that we can minimise or remove to limit interactions between staff and clients ('physical distancing'), while ensuring people still receive the support they need.

We propose three phases of initiatives that will manage demand and reduce the need for face-to-face support

5 The attached table (**Appendix One**) outlines some of the specific changes MSD could make in order to achieve the above objectives.

6 We have used the following criteria to help us prioritise initiatives to progress:

6.1 Ease of implementation (for example, no legislative change required)

6.2 Potential to free up staff capacity

6.3 Potential impact on clients (for example, continued access to financial assistance and reduced compliance activities)

6.4 Possible risk in terms of fiscal cost or longer-term precedent created.

7 Separate to the criteria described above, we have also prioritised initiatives that will reduce demand in the health system.

8 We propose delivering the specified initiatives in three phases, outlined in further detail below. **Appendix Two** outlines the assessment of individual initiatives against the above criteria.

9 Our key assumptions for progressing these initiatives are that:

9.1 critical services continue running

9.2 demand for services is beyond MSD's current capacity due to the economic impact of COVID-19 (such as administering the Wage Subsidy and Leave Payment schemes), alongside a reduction in frontline staff able to support clients[1]

9.3 we need to reduce proactive engagement with clients due to the need for 'physical distancing'.

10 Demand for the Wage Subsidy scheme has already been higher than expected. As at 11pm on Saturday 21 March 2020, MSD had received applications from employers for a COVID-19 Wage Subsidy in respect of 137,400 employees.

[1] We are not yet able, in terms of IT systems and technology, to have all case managers work remotely in a role similar to a Customer Service Representative.

Tranche One: priority options that can be progressed immediately

11 MSD has the discretion to implement some changes that could free up staff capacity and improve client experience immediately.

12 We propose that Tranche One includes:

12.1 temporarily removing the requirement for Jobseeker – Health Condition and Disability (JS HCD) clients to provide subsequent work capacity medical certificates (generally for existing clients this could be up to every 4 weeks, as required by a 2010 Cabinet decision [CAB Min (10)7/10]) – this would impact approximately 30,000 clients a month

12.2 deferring any Special Benefit expiries – this would impact 1,600 clients currently receiving a Special Benefit

12.3 deferring Disability Allowance reviews of cost and medical eligibility – this would impact approximately 26,000 clients a month

12.4 deferring other annual reviews of client circumstances – this would impact approximately 74,000 additional clients a month.

13 These options will require communications to frontline staff and clients, along with relatively straight forward IT system changes. They can be implemented by Friday 27 March 2020. We propose that any of these temporary arrangements should be active for an initial period of six months. The changes will mean that clients continue to receive welfare assistance at their current rates of payments, and we will rely on them to inform us if their circumstances change.

14 The deferral of review dates means that when the operating model returns to 'business as usual', there will be staggered dates of review (ie they will not all be due at once).

15 Note that we previously advised there would be a significant IT cost and lead in time needed to improve the flexibility of work capacity medical certificate requirements (REP/19/12/1282 refers). However, the proposal in this paper is different as it simply pushes out all JS HCD clients' due dates for a work capacity medical certificate by six months (alongside other reviews), requiring only relatively straightforward IT changes.

We need to cease all proactive engagement with clients to manage demand and reduce opportunities for community transmission

16 MSD currently uses proactive engagement with clients for a number of purposes, in particular:

16.1 providing direct employment support to individual clients looking for work

16.2 requiring clients with high numbers of hardship grants to attend a face-to-face appointment

16.3 managing debt collection for current and former clients.

17 These activities require significant frontline staff resourcing, alongside some face-to-face engagement with clients.

18 This holds the risk of creating opportunities for COVID-19 community transmission. Given this and the demand pressures MSD will continue to face, we recommend that all proactive engagement with clients for the purposes outlined above ceases.

19 Note MSD will continue to work with businesses on redeploying people in affected industries and/or filling emerging labour market shortages.

20 This will mean that MSD will be unlikely to require clients to complete work-related activities as part of their obligations to take steps to find suitable employment, as this would not be reasonable in most circumstances.

21 MSD has discretion around what activities it is reasonable to require a client to do, as well as what re-compliance activity to impose if they have an obligations failure.

22 We will look to defer any new obligations failures and introduce minimal re-compliance activities, such as phone calls, for clients with an existing obligations failure. This will impact approximately 1,500 clients.

There is an opportunity to free up capacity by delaying the introduction of emergency housing co-payments

23 Currently, Emergency Housing Special Needs Grants cover the full cost of the client and their family's accommodation. Cabinet have previously agreed to introduce a 25 percent of income co-payment for clients receiving Emergency Housing Special Needs Grants, if they have remain in emergency housing for more than seven days (emergency housing co-payment). This will align emergency housing assistance with other forms of assistance that contribute to accommodation costs.

24 This is to commence from 30 March 2020, which has been publicly announced and communicated to clients.

25 The IT system changes required are close to completion. However, this new emergency housing co-payment will require significant resourcing to administer, as much of the process is manual. The process is expected to require approximately 21 full-time equivalents (FTEs) frontline staff to administer.

26 It is timely to consider whether commencement should be delayed. Delaying would free up staff capacity to focus on COVID-19 related initiatives and demand instead. It would also ensure that in the changing economic environment, with potential for significant job losses, we are not unnecessarily creating stress for clients in emergency housing.

27 Should you and Cabinet agree, the start date could be delayed for an initial period of six months. This will need to be communicated urgently to staff and clients. Subject to Cabinet's agreement, we will provide you with a further report to reverse the changes to the Special Needs Grants Welfare Programme.

28 Note we still recommend implementing the 'three-weeks of payment' component of the changes, as this will reduce engagement with clients. The IT build for the emergency housing co-payment will also remain ready, so a rapid commencement at a future date would be possible.

Tranche Two: Options that require legislative change or further work to implement

29 Tranche Two includes a number of initiatives that require further work to implement, either due to the need to design new business processes, IT changes or regulatory change.

30 For example, we need to complete further analysis on extending Temporary Additional Support and 52-week reapplications. These decisions could have a significant positive impact on staff and clients but carry higher long-term fiscal risk.

31 This tranche also includes options which are lower priority due to having less impact.

32 Tranche Two would include:

- 32.1 deferring reviews of health conditions for Supported Living Payment clients and Child Disability Allowance clients
- 32.2 deferring Emergency Benefit expiries
- 32.3 deferring the need for Temporary Additional Support reapplications
- 32.4 clearing any upcoming 52-week reapplications for Jobseeker Support and Sole Parent Support clients
- 32.5 modifying verification and application requirements for clients, such as the need to provide hard copies or have face-to-face meetings (eg for Emergency Housing).

33 We will provide you with further advice about timing for Tranche Two implementation. We expect that any agreed measures will also be active for six months initially.

34 The exception is 52-week reapplications, which will effectively be temporarily extended to 104-week reapplications in the IT system, as this is the only feasible way to implement this proposal in the short timeframes.

Tranche Three: Options that have been flagged but require further analysis

35 We have also flagged some other options that could reduce demand or face-to-face engagement, but that require more work. This includes:

35.1 further changes to streamline the application, verification and payment of hardship grants

35.2 removing the need for people applying for JS-HCD or the Supported Living Payment to provide a medical certificate from a health practitioner, for example by using alternative evidence or granting the Emergency Benefit at the same rate instead.

36 There is potential to significantly benefit clients, for example, automating food grants would make the process easier and quicker for clients. However, we need to work through the details of how this could be implemented as well as the long-term implications.

These proposals are greater in scale than responses to previous adverse events...

37 While some of these options have been used in previous events (such as the Christchurch earthquakes), generally this has been a localised response. Progressing this in the context of COVID-19 would require changes to our service provision across the entire country in a constantly changing environment. We will need to implement the preferred options at pace, and they will require:

37.1 IT system changes

37.2 staffing and processing changes

37.3 new guidelines and communications for staff, clients and others in the community (such as Primary Health Organisations)

37.4 (for some) policy and secondary legislative change through Cabinet processes.

...and if a domestic epidemic management notice is issued we could have significantly more discretion

38 In addition, MSD has become involved in work with the Ministry of Health and Crown Law that will seek the Prime Minister's agreement to issue a domestic epidemic management notice. This would enable MSD to:

38.1 pay Emergency Benefits to people who are not usually eligible (such as people on temporary visas who are unable to return to their home country);

38.2 further streamline aspects of the benefit application process; and

38.3 make a range of regulations that would provide MSD with the ability to deliver services in new ways and free up key frontline resource within MSD.

39 We expect a briefing to Ministers will be prepared over the weekend with Cabinet decisions sought on Monday 23 March 2020. If a notice is issued MSD will:

39.1 undertake immediate work on operational policy to support the implementation of the new Emergency Benefit powers before seeking your approval to enable them;

39.2 identify where the streamlined application provision and regulation making powers can be used to complement the proposals in this report by further reducing face-to-face interaction with clients within existing settings.

Next steps

40 Subject to your agreement, MSD will immediately cease all proactive engagement with clients.

41 MSD is able to progress the options within Tranche One primarily through internal processes, but you will need to inform your colleagues of the likely fiscal implications. We also need Cabinet to agree to delay the introduction of the Emergency Housing co-payment and amend the previous 2010 Cabinet decision on the frequency of medical certificate required for JS-HCD clients.

42 Should you agree to this proposed approach, officials will develop a Cabinet paper to take to the Ad Hoc Cabinet Committee on COVID-19 Response (CVD) outlining the key initiatives in Tranche One that MSD will progress and that further advice on other initiatives will be forthcoming.

Appendix one: Proposed changes to MSD's operating model

43 Please refer to the attached A3: Proposed changes to MSD's operating model.

Appendix One: Proposed changes to MSD's operating model

Tranche 1 (to be implemented by Friday 27 March 2020, for an initial period of six months)							
Initiative	**Description**	**Volume of engagement**	**Authorising environment**	**Client impact**	**Implications (IT/operational/risk)**	**BORE impact**	**How much operational capacity would it free up**
Medical certificates/health system interactions							
Temporarily remove the need to provide subsequent work capacity medical certificates for clients receiving Jobseeker Support on the grounds of a health condition, injury or disability (JS-HCD) and Sole Parent Support clients with a health condition-related deferral of work obligations	Current practice is to require a medical certificate four weeks after the initial certificate, another certificate four weeks after that, and at 13-week intervals thereafter.	~30,000 work capacity medical certificates received outside of benefit grants for JS-HCD and Sole Parent Support clients per month ~360,000 per annum	Cabinet agreed to the fixed interval requirement for JS-HCD in 2010 [CAB Min (10)7/10] Cabinet decision required to amend time periods.	Costs related to getting medical certificates will go down for clients. When client's capacity to work worsens clients could potentially miss out on transitioning to SLP.	This will create a lot of additional capacity for GPs Will require high level communications to clients, primary health organisations and staff. MSD will also need to generate a manual list of clients who are on suspended or expired benefit in order to resume their benefit payment.	Medium Estimated at $20m for 6 months.	Moderate impact: For all medical certificate-related initiatives - likely to free up 16.5 FTE across centralised services and contact centres.
Defer any upcoming Disability Allowance reviews	Currently two-part review: medical eligibility and costs. This would defer any upcoming reviews for 6 months. People can still notify changes in costs and we will only require minimal verification.	~26,000 letters sent per month for DA reviews to working-age and seniors clients ~310,000 per annum	Need to amend Ministerial direction to reduce verification requirements	Clients could be either over or underpaid, and would not need to go through an onerous process of verifying their costs or obtaining a medical certificate	Could keep paying clients who are no longer eligible	Low $2m for 6 months	Significant impact: across all assistance reviews and expiry-related initiatives, can free up 4.5 FTE for contact centre and 38 FTE for centralised services
Other reviews and expiries							
Delay annual reviews of client circumstances	Covers all annual reviews, including review of income and life certificates.	~100,000 annual review-related letters sent to working-age and seniors clients per month (inclusive of letters for DA) ~1.175 million per annum	MSD has discretion to delay any annual reviews. For due paid assessments, still have to complete review but there is no specific time period requirement set out in legislation. This does not remove client's obligations to notify MSD of changes in circumstances or our responsibility to act on any new information.	Clients who would have been due arrears in their due paid assessment will not get this as quickly.	Could keep paying clients who are no longer eligible. Will require communications explaining new processes to both clients and staff.	Not costed	Significant impact: across all assistance reviews and expiry-related initiatives, can free up 4.5 FTE for contact centre and 38 FTE for centralised services

Tranche 1 (to be implemented by Friday 27 March 2020, for an initial period of six months)							
Initiative	**Description**	**Volume of engagement**	**Authorising environment**	**Client impact**	**Implications (IT/operational/risk)**	**BORE impact**	**How much operational capacity would it free up**
Clear any special benefit (SPB) expiries or reviews	Extend out the period for SPB expiries	~1600 clients currently receive SPB, which is reviewed at 26-week intervals for most clients.	MSD has discretion to extend out expiry periods for SPB.	Positive impact as clients will not need to go through SPB reapplication process.	Could keep paying clients who are no longer eligible or are not meeting requirements.	Estimated to be low	Minimal
Annual reviews for social housing (Income related rent reviews)	Extend out the due date for annual review of social housing eligibility	Not yet estimated	MSD has broad discretion to review "at any time". There is no prescribed frequency of review in primary legislation Ministerial direction on Continued Eligibility for Social Housing deals with eligibility, not frequency of review periods.	Less disruption as client would not have to pay more rent or potentially find new accommodation.	Could keep paying clients who are no longer eligible, less likely to free up social housing spaces.	Not costed	Moderate impact: Across all assistance reviews and expiry-related initiatives, can free up 4.5 FTE for contact centre and 38 FTE for centralised services
Obligations							
Cease face-to-face proactive engagement in relation to employment and hardship assistance	Cease the following types of engagement: – providing direct employment support to clients looking for work – requiring clients with high numbers of hardship grants to attend a face-to-face appointment rather than granting over the phone – managing debt collection for current and former clients. Defer any new obligations failures and introduce minimal re-compliance activities, such as phone calls, for clients with an existing obligations failure.	Not yet estimated, at least 50,000 clients.	MSD has discretion around what activities it is reasonable to require a client to do, as well as what re-compliance activity to impose if they have an obligations failure. MSD can make re-compliance activities minimal (eg, phone calls). This must generally be done on a case-by-case assessment, but this is likely a low legal risk.	In general, this is likely to reduce anxiety for clients about obligations or debt-related compliance; but could also reduce the likelihood of them finding or returning to work.	This will mean that MSD will be unlikely to require clients to complete work-related activities as part of their obligations to take steps to find suitable employment, as this would not be reasonable in most circumstances. There is a risk around MSD not proactively encouraging clients to apply for new jobs even if demand there is demand for new employees.	Yes, but unknown	Significant impact as this is expected to free up a large number of case managers to focus on other types of assistance.

Tranche 2 (further work required to be implemented, likely for an initial period of six months)							
Initiative	**Description**	**Volume of engagement**	**Authorising environment**	**Client impact**	**Implications (IT/operational/risk)**	**BORE impact**	**How much operational capacity would it free up**
Medical certificates/health system interactions							
Extending out the review period for Child Disability Allowance (CDA)	Extend out the due date for upcoming reviews of medical eligibility for CDA. Current practice is to review the child's disability every 2-5 years.	~2,000 Change in Circumstances letters sent for CDA per month ~2,000 medical review forms for CDA sent per month ~4,000 total per month ~48,000 per annum	MSD has discretion to delay any reviews.	CDA is paid at a fixed rate so the impact is likely to be minimal. Eligibility will continue to cease for clients whose child turns 18 years or is granted a main benefit.		Low $1m for 6 months	Minimal: Across all assistance reviews and expiry-related initiatives, can free up 4.5 FTE for contact centre and 38 FTE for centralised services
Defer review of health conditions for Supported Living Payment (SLP) clients	Defer due dates for clients to provide a medical certificate of their continued eligibility. Currently approximately two-thirds of clients are required to provide a medical certificate is every two years.	~2,000 medical certificates processed per month outside of SLP grants ~24,000 per annum	MSD has discretion to delay any reviews.	Minimal, most clients who cease receiving SLP do so because of death or moving onto New Zealand Superannuation.	Could keep paying clients who are no longer eligible, particularly for SLP Carers.	Not costed Likely minimal as exit rates are low	Minimal: Across all assistance reviews and expiry-related initiatives, can free up 4.5 FTE for contact centre and 38 FTE for centralised services
Other reviews and expiries							
Defer Emergency Benefit (EB) expiries	Push out expiry dates for EB for an initial period of six months, for clients with specified reason codes.	150 expiries for EB due in April 2020	MSD has discretion to extend out expiry periods for EB.	Most clients will continue to receive their benefit without needing to provide any additional verification.	High risk in relation to whether clients continue to be eligible (eg, where EB has been granted to clients only for self-isolation period; EB granted to clients who need to confirm residency) Will need system changes to create multiple reason codes for EB. Also requires guidelines for staff to help decision-making.	Low $1.2m for 6 months	Minimal: Across all assistance reviews and expiry-related initiatives, can free up 4.5 FTE for contact centre and 38 FTE for centralised services
Temporarily remove the need for Temporary Additional Support (TAS) reapplications	Extend the period that TAS is granted to clients for. Currently clients have to re-apply for TAS every 13 weeks. We will provide you with further advice on how to legislative for this, as we will need to ensure that any changes give us significant flexibility.	~70,000 on TAS at the end of Feb, will require reapplication within in the next 13 weeks	Regulation amendment required - requirement to reapply for TAS is set in primary legislation, but time period is set out in regulations. s 9(2)(h)	Positive impact as clients will not need to go through onerous reapplication process.	Could keep paying clients who are no longer eligible or are not meeting the requirements (eg, reducing costs or increasing income).	High $20m if no re-applications are required for an initial period of six months, rising to $60m if this change continues for a further six months	Moderate: changes to TAS and 52-week reapplication periods can free up 13.5 FTE for contact centres and 4 FTE for centralised services. This does not estimate the impact on service centre staff.

Tranche 2 (further work required to be implemented, likely for an initial period of six months)							
Initiative	**Description**	**Volume of engagement**	**Authorising environment**	**Client impact**	**Implications (IT/operational/risk)**	**BORE impact**	**How much operational capacity would it free up**
Clear any 52-week reapplication for Jobseeker Support (JS) and Sole Parent Support (SPS)	This will extend out all upcoming reapplication dates to 104 weeks. **NB:** This is the only initiative where the change has to be in place beyond the initial period of six months, due to what IT changes are feasible in the timeframes.	~25,000 clients have a 52-week reapplication expiry or letter due to be sent in the next month ~Roughly 300,000 per annum	Regulation amendment required - requirement for reapplication for JS and SPS are set out in primary legislation, but the time period and compulsory work assessment are set out in regulations	Positive impact as clients will not need to go through reapplication process and will not lose access to financial assistance	Could keep paying clients who are no longer eligible.	High $50m for 12 months	Moderate: changes to TAS and 52-week reapplication periods can free up 13.5 FTE for contact centres and 4 FTE for centralised services. This does not estimate the impact on service centre staff.
Verification and Applications							
Modifying application and verification requirements for new clients, including for emergency housing	Proposal to modify current verification process by removing the need to provide hard copies or have face-to-face meetings. For example, most emergency housing applications are already phone-based unless the client requests an in-person appointment.	~4.3 million documents for evidence per annum	There are no specific prescribed verification requirements in primary legislation, so MSD has flexibility around how to verify information.	Clients could be either be over or underpaid as it is harder to get full and correct entitlement right without more rigorous client engagement. May be difficult for clients with access needs or for those that prefer face-to-face	Will require development of whole new processes and guidelines around new application processes. Taking high trust approach trades off against potential for getting it wrong. Likely to increase demand for Contact Centre support. Need to consider what happens when we go back to 'business as usual', for example retrospective verification of information provided electronically.	Not costed	Hard to estimate capacity – likely to have minimal impact as this is about changing channels that clients go through. Note – re-allocating case managers to contact centres is not straightforward or feasible in some instances

Tranche 3							
Initiative	**Description**	**Volume of engagement**	**Authorising environment**	**Client impact**	**Implications (IT/operational/risk)**	**BORE impact**	**How much operational capacity would it free up**
Medical certificates/health system interactions							
Remove or relax need to provide work capacity medical certificates for Supported Living Payment (SLP) applications (initial certificate)	Applicants for SLP will no longer need to provide a medical certificate upon application, but can provide alternative evidence electronically or be granted EB Note – could not include SLP carer applications as requirement for medical certificate is in primary legislation	~850 work capacity medical certificates received per month as part of an SLP application ~10,200 per annum	MSD has discretion to use alternative forms of evidence for eligibility to SLP on health condition, injury and disability grounds.	May miss out on other assistance due to no discussion around cost/medical needs (eg, DA/TAS)	EB has an income and asset test. Some applicants may not qualify due to excess assets. Also, may be difficult to determine appropriate rate. Potential SLP clients may be disadvantaged Will require communications for staff, clients and GPs	Not costed Assume that clients would be put onto EB and paid at the SLP rate. Unknown if there would be a behavioural impact that would result in additional applications - assume that rest of Covid-19 Economic Response Package would mitigate this risk.	Low – as it still requires staff to grant a benefit For all medical certificate related initiatives, likely to free up 16.5 FTE across centralised services and contact centres
Remove or relax need to provide work capacity medical certificates for Jobseeker Support with a health condition, injury or disability (JS-HCD) (initial certificate)	Applicants for JS-HCD currently must provide an initial medical certificate of reduced capacity to work. This initiative would involve granting EB instead.	~4,200 work capacity medical certificates received per month as part of a JS-HCD application ~50,000 per annum	The requirement for an initial medical certificate is set out in primary legislation for JS-HCD MSD has existing discretion to grant EB instead.	May miss out on being granted SLP or other disability-related assistance.	Risk MSD may grant benefit to clients who may not be eligible. Will require communications for staff, clients and GPs.	Not costed Assumes that clients would be put onto EB. Since EB is paid at the same rate as JS, there should be no fiscal impact. Unknown if there would be a behavioural impact that would results in additional applications - assume that rest of Covid-19 Economic Response Package would mitigate this risk.	Low – as it still requires staff to grant a benefit For all medical certificate related initiative, likely to free up 16.5 FTE across centralised services and contact centres
Other							
Further changes to streamline the application, verification and payment of hardship grants	In addition to the above proposals, explore further changes to streamline processes around hardship grants given increased demand is likely.	For example, there are around 300 funeral grants per month – this could increase due to COVID-19.	Changes to the Special Needs Grants Welfare Programme may be required.	Possibility for clients to get quicker access to financial assistance.	Risk MSD may grant to clients who may not be in hardship. Will require communications for staff, advocates and clients.	Unknown	Unknown

Appendix two: Assessment of initiatives to reduce client engagement

Key for potential impacts	High positive impact	Moderate positive impact	Minor positive impact or neutral	Some negative impact	High negative impact

Initiative:	Ease of implementation	Potential to free up staff capacity	Potential impact on clients	Possible risk in terms of fiscal cost or longer-term precedent created
Tranche One				
Deferring any annual reviews of client circumstances (including for social housing, life certification)				
Temporarily removing ongoing work capacity medical certificates requirements for JS-HCD clients				
Deferring Disability Allowance reviews, including of costs and medical eligibility				
Deferring Special Benefit expiries				
Ceasing proactive engagement with clients				
Tranche Two				
Deferring review of health conditions for Supported Living Payment clients and Child Disability Allowance clients				
Deferring Emergency Benefit expiries				
Temporarily removing the need for Temporary Additional Support (TAS) reapplications				
Clearing any upcoming 52-week reapplications for Jobseeker Support and Sole Parent Support clients				
Modifying verification and application requirements for clients, such as the need to provide hard copies or have face-to-face meetings (eg for Emergency Housing)				