

Freedom of Information request 201/2014

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Information request

I am enquiring about the Universal Credit in relation to Self-employment. I would like clarification on the timescale and process of the roll out of Universal credit and ask when will it be operating in East midlands area. In addition to ask if there is confirmation of the Minimum Floor Limit and if it will be set at National Minimum wage and if that would be dependent on age or not?. Also if there will be a template for business plan as evidence of the viability of the business to their advisor or gateway interview? Also who will be conducting the Gateway interviews will it be their Jobcentre Advisor or experience Business Advisors?

DWP response

The plans for progressive national roll out of Universal Credit were described as part of Lord Freud's announcement of 10th July 2013. We are on track with those plans. The Secretary of State's Written Ministerial Statement (5th December 2013) set out the next stage delivery plans.

Gateway interviews will be conducted by a Jobcentre Advisor to determine whether a claimant is gainfully self-employed for Universal Credit purposes.

By that we mean self-employment is the claimant's main employment, it is organised; developed; regular and carried out in expectation of profit. This is an objective test, which does not require an Advisor to assess the viability of a business plan. If a claimant is deemed to be gainfully self-employed, they are exempt from work search and work availability requirements so that they can focus on their business.

The interview is also used to determine eligibility for a start-up period (period of up to one year for newly self-employed claimants during which the minimum income floor is not applied and the claimant is not required to look for, or take up alternative employment); to set the claimant's minimum income floor level; agree the Claimant Commitment; and signpost the claimant to available support.

The minimum income floor level is determined by multiplying the number of hours the claimant could reasonably be expected to work or be looking for work if they weren't gainfully self-employed by the relevant national minimum

wage for their age, minus notional income tax and National Insurance contributions.

Expected hours will be 35 hours per week unless the claimant has restricted availability as agreed with their advisor, for example because of a health condition or caring responsibilities.

Claimants who are not required to work or look for work in order to claim Universal Credit, for example because they have been assessed as having Limited Capability for Work and Work Related Activity, have 0 expected hours and therefore no minimum income floor.

The minimum income floor level therefore reflects the monthly earnings we could reasonably expect any other claimant with similar circumstances to achieve.