

Mims Davies MP
Minister for Employment
Department for Work and Pensions
Caxton House
Tothill Street
London
SW1H 9NA

7 July 2021

Dear Minister,

The Universal Credit (Coronavirus) (Restoration of the Minimum Income Floor) Regulations 2021

The Social Security Advisory Committee scrutinised the above regulations at its extraordinary meeting on 7 July. Following careful consideration of the proposals, the Committee decided that it would not take the regulations on formal reference and that they may proceed as planned.

The regulations contain several beneficial measures and were broadly welcomed by the Committee. In particular, we welcome:

- (i) the use of discretion to enable businesses who continue to be affected by Coronavirus to remain exempt from the Minimum Income Floor (MIF);
- (ii) the ability of those individuals who were in the middle of their start-up period at the beginning of the pandemic (in March 2020) to retain the remaining months of that start-up period once the regulations come into force, and
- (iii) the provision of an extra assessment period before the MIF is restored in individual cases.

However, there were a few concerns that we wanted to draw to your attention, and on which we would welcome reassurance.

Communicating the reintroduction of the MIF

We understand that communications about this change will be limited to a Written Ministerial Statement and media briefing, with no targeted communications planned for those who may be directly impacted until their gainful self-employment interview is imminent. We recognise that the additional assessment period would provide some advance notice. However, we were of the view that there would be merit in earlier communication of the reintroduction of the MIF to those individuals who might be directly affected, setting out what this might mean for them and signposting them to where they can access further information.

Application of discretion

We recognise the need for discretion to be applied when considering whether the trade of a self-employed person continues to be impacted by Coronavirus. Whilst a broad overview of how discretion would be applied was provided at our meeting, it was less clear what specific factors work coaches would be able to consider, for example geographical considerations, impacts on particular sectors and the implications for the most vulnerable to Coronavirus (for example those who cannot be vaccinated because of health conditions). We would welcome sight of the draft guidance. This would ensure that we can understand better the Department's intentions and have an opportunity to consider whether it can be further strengthened to ensure that it is sufficiently clear and comprehensive to ensure that discretion will be consistently applied across Jobcentres.

Learning and agile response

There is much uncertainty about how the economy will respond to further Covid restrictions being lifted, how different geographical regions or sectors of industry may be affected, and on what timescales. We were encouraged to learn that the Department was putting in place arrangements for feedback to be provided from work coaches to ensure that an ongoing analysis of the situation. The success of the policy may depend on the ability to respond timeously to developments. Therefore, it will be important to put in place robust arrangements for systematic collection of detailed data from a variety of relevant sources to enable an informed and agile response to lessons learned during an uncertain period. For example, mandatory reconsiderations and appeals may provide a valuable source of data.

For example, the Committee concluded that one aspect of the proposals the Department should monitor as part of this process is whether the maximum (six-month) limit for the MIF easement was sufficient in all cases. One example we discussed at the meeting was seasonal workers who rely on income during the summer, who arguably have lost a significant percentage of that this year, could be disadvantaged by this limit. There will inevitably be other examples.

I would welcome your response to the points raised above. I would, of course, be very happy to discuss any of the issues raised in this letter if you would find that helpful.

In closing, I would like to thank the DWP team that attended today's meeting for their helpful support throughout this process, especially given the truncated timelines they and the Committee were working to. We look forward to welcoming them back in the autumn, once the re-engagement of the pre-Covid cohort has been completed, for an update on how well the process has been working and the Department's response to any lessons learned.

A copy of this letter goes to the Secretary of State, the Baroness Stedman-Scott, Jonathan Mills and Kerstin Parker.

A handwritten signature in black ink, appearing to read 'Stephen Brien', written in a cursive style.

Dr Stephen Brien
SSAC Chair