Social Security Advisory Committee Minutes of the meeting held on 28 March 2022

Chair:	Dr Stephen Brien
Members:	Bruce Calderwood Matthew Doyle Carl Emmerson Kayley Hignell Phil Jones Seyi Obakin Grainne McKeever Charlotte Pickles Liz Sayce

Apologies:

1. The Universal Credit and Jobseeker's Allowance (Work Search and Work Availability Requirements – limitations) (Amendment) Regulations 2022

Chris Goulden

1.1 The Chair welcomed Jonathan Mills (Director General, Labour Market Policy) Ian Caplan (Director, Employment, Youth and Skills) and Tom Younger (Senior Analyst) to the meeting. He noted that the Committee had asked for further data ahead of the meeting and asked whether that was available. Tom Younger reported that it had not been possible to prepare the data for this meeting but confirmed that, where available, it would be provided in due course.

1.2 The Regulations concern the reduction of the permitted period in which a claimant may restrict their work search to their preferred work sector or level of remuneration from a period of 13 weeks down to a period of four weeks.

1.3 The Committee asked the following main questions in discussion:

(a) On the broad policy intent what is the problem being solved here – is it just to hit a target of a certain number of people in employment by June?

The context is what the labour market looks like now. Overall the position was better than what many feared six months ago - due to the effectiveness of the furlough scheme and other measures there has not been a massive spike in unemployment. However there was instead a high level of vacancies with the rapid reopening of the economy at the end of Covid Plan B, and some big structural shifts in the labour market, including significant changes between sectors. Over the last two years there had been changes in business models and in patterns of recruitment. The 500K number gives a guiding star, but it also frames the point about the permitted period change. The aim is to accelerate the transition from Covid re-opening to the "new normal", which may mean that people will have to shift occupation to take account of that. The target gives clarity to claimants and work coaches about this expectation.

(b) Do these regulations deal with sectoral demands only, or also geographic demands – for example, where a job can now be done anywhere in the UK as one can work from home?

The regulations do not create any new requirements in terms of where jobs are located, and there is no restriction on people to work in any particular geographic area. Rather these regulations just extend the sectors they are expected to search earlier in their claim. Increases in working from home may mean that more jobs are now available to people than before. The regulations are not conflicting with any geographical aim, more people may work in a slightly different job or in a slightly different way.

(c) Going into the wrong job can be detrimental to the claimant and the employer. To what degree have you considered the unexpected consequences of pushing a mass of people into any jobs, rather than getting people into the right jobs for them?

That is an important point. This change must be seen in the context of other interventions – many thousands remain on the Kickstart scheme, there is the Sector-based Work Academy Programme (SWAPs), there is the Restart programme. The existence of these schemes allays concerns on this point. There are many jobs available right now, and the work coaches are trying to find jobs that are suitable for those claimants. This change means that that search will go wider than before.

(d) What are the various components of the 'Way to Work' scheme, and how do they work together?

At its core is the conditionality regime and the support to claimants to get them into work as quickly as possible. There have been a series of stages since reopening; there is the move back into the full conditionality regime, the Initial Claimant Commitment work coaches interview has been restored from 30 minutes to 50 minutes allowing a higher quality interview which sets a quality basis for ongoing contact, there are ongoing measures to upskill work coaches given the huge increase in their numbers over the pandemic. The permitted period change is a small aspect in that broader context. How the Department engaged with employers is important, things learned from Kickstart can now be applied to open market vacancies, with DWP having more of a broker role - bringing employers into jobcentres, using job fairs and events to connect employers with claimants. For claimants who need more support there are the plans for jobs provisions, the shift here is to be outcome focussed and support them into work. The final part is the use of data to drive performance, to identify and promulgate best practice and focus on low performing data indicators to make improvements.

(e) How does this port into 'in work progression', and were there any interventions considered but which were not thought appropriate or worthwhile?

This is a short and time limited campaign, so realistically this wasn't about changing the fundamentals of our labour market model but instead building on already successful things and optimising our services. Over a longer time-scale we would consider further options. There were already levers in place with work coaches, with sector-based work academies. The Secretary of State talks of the ABC narrative: "any job, a better job, a career". Way to Work provides an initial burst of activity to get people into work; but we be developing plans to provide support to deliver progression, increased earnings and career prospects.

(f) How do the regulations work in practice?

The guidance is updated for work coaches, the change is communicated through operational leadership calls, through various events and notifications sent out. There has also been a technical change on the Universal Credit (UC) digital service, so the permitted period is shortened on there. It is very clear to work coaches what the policy intent is.

(g) These regulations set the permitted period at four weeks. If a claimant were to have interviews lined up in their preferred sector, the four weeks elapses, and the claimant then refuses to apply for a job in a different sector, would they be sanctioned for not applying for that job – or would those interviews be considered 'good reason' by the decision maker?

The overarching position is that work coaches work sensibly with the claimant. If a claimant is waiting for an interview, and in good faith is engaging with the process, then they would not move directly into a sanctions response. Work coaches must take into account the agreed work search in the claimant commitment but claimants should be ready for other opportunities. The change of the permitted period from 13 weeks to four weeks shifts the emphasis so the work coach should broaden out the work search earlier. The policy change is to bring that process forwards. Once a claimant has taken up work they can

continue to apply for jobs in their preferred sector. The guidance provided to decision makers on when to sanction can be provided to the Committee.

(h) The change in moving claimants into different sectors earlier - why did you need to change the regulations to support this, wasn't that already possible under the existing regulations?

The legal position was looked at in the existing regulations, and if a work coach wanted to shorten the permitted period, then they had to decide how long up to 13 weeks that permitted period could last. That would have required a discretionary decision each time, so the regulations were necessary to be very clear about expectations. Ministers wanted to have that absolute clarity for work coaches and for claimants. Had we created guidance stating that four weeks was the cut-off point that could not have been treated as a universal, it would have still been discretionary, and would have created more ambiguity. None of the policies around easements or sanctions are changed – they apply in the same way at four weeks now as they applied at 13 weeks previously.

(i) What was the rationale for having 13 weeks permitted period originally, and what is the rationale for changing it to specifically four weeks, rather than any other length of time?

The 13-week provision has been in place for many years and had been carried over from previous legislation. On the four weeks, a judgement was made. Ministers considered the options, drawing on feedback from work coaches and patterns of pay and recruitment, as well as the unprecedented conditions in the labour market, and chose a reasonable spell for employers to be underway in their process. They took the judgment that four weeks was a fair place to draw the line.

(j) Is there evidence around the patterns of people going to work during that four to 13-week period? What happens in that period in terms of people taking up employment?

One thing looked at is how long people stay in the work search group. There is no drop off after 13 weeks, suggesting that the 13-week deadline doesn't in itself have sufficient impact to affect the overall numbers. However, that is not to say that the four-week deadline would not have a significant impact, because it may be that the current deadline is too long to drive behaviour effectively. Thinking of the wider labour market position at the macro level this is being launched during a period where things are at a low level. It will be evaluated at the end of June when any side effects and unintended consequences will be examined. It is too early to assess the impacts from the data given the lags involved.

(k) How many people are likely to be impacted by the shift?

Most people who move into UC intensive work search are still on it at four weeks, so it has the potential to affect many people, depending on how common it is that work coaches use the current permitted period.

(I) Your hope is that the combined effect of all these elements will deal with a possibly temporary problem?

The aim is to accelerate the transition, to accelerate the conversation on the scope of work search. The intensity and frequency of contact with work coaches is a driver of good outcomes, this change encourages more of those interactions, and earlier.

(m) Is there any concern on the negative impact on people who would normally be moving into better jobs in weeks four to 13, who will now take worse jobs?

The end of permitted period is not a deadline to move into work, lots of people will move later. This change must be viewed alongside the support for in work progression. People do not stop looking for work once in work, it is not a one-off employment decision. Work coaches will be protecting those who need protecting with easements, such as those who are bereaved or have health conditions. The easements are unaffected by this change. The claimant can still apply in their preferred sector.

(n) One concern would be older people dropping out of the labour market altogether. Will the Department be monitoring movements into work, and what types of work?

Movements to work were the key outcome of 'Way to Work' and we would look at that by characteristics. We will also see if we can look at the level of earnings, and then look at the four-week group to see if people are taking lower earning jobs and getting stuck there.

(o) Will the Department talk to employers? If lots of people take jobs that they are not suited for this negatively impacts them.

Yes, there is engagement with them on these points. The employer element is very important, and much closer contact with employers is desired. Job mismatches are to be avoided, as they don't help employees and do not encourage employers to engage.

(p) Are people on New Style Jobseeker's Allowance (NS JSA) more likely to go into higher paid work than UC claimants, and if so, should a longer permitted period for NS JSA been considered?

The 'Way to Work' campaign was to apply to both UC and NS JSA, so all those claimants could benefit from those same opportunities, being able to move into work quicker. There was no desire to make any distinctions between the two. On the permitted period change it is not thought a higher weekly number would be more appropriate for NS JSA, there would have to be evidence to show a real difference between a UC and a NS JSA claimant. However, the idea of getting people into work earlier is not meant to be punitive or to reduce benefits, but rather because that it is better for any claimant to get into work earlier, rather than having a longer period out of work.

(q) The Social Security Administration Act 1992 states that the regulations are not required by be referred to this Committee before they are laid if "*it appears to the Secretary of State that by reason of the urgency of the matter it is inexpedient so to refer them*".¹ Why was urgency needed?

That is a very fair question. The decision was not taken lightly, the provision is there to be used in exceptional circumstances, and this was deemed that. There was the time sensitivity of the problem. The core objective was of accelerating the labour market reopening, and the faster that was done the greater the benefit. This was exceptionally a whole reopening of the economy. It was also unpredictable, in that it was not certain when the Plan B restrictions were coming to an end, so the lead in time for action was shorter. This labour market situation was unexpected – the expectation was for a much worse labour market scenario. This was an unusual combination of events.

(r) The scrutiny of the Committee helps make the regulations better- what difference would that extra few weeks have made? Would it have been fatal to the outcome? The time limit of six months was an arbitrary timescale created by the Government and, as evidenced by the Secondary Legislation Scrutiny Committee (SLSC), the Department was unable to point to any specific disadvantage that would have occurred from these Regulations conforming to the 21-day rule.²

The Department does not accept that no rationale was given to the SLSC. The Minister's judgement was that in the context of this campaign the usual 28 days was a significant amount. A soft launch with guidance was considered but that

¹ Section 173(1)(a) of The Social Security Administration Act 1992.

² Para 8 of the Secondary Legislation Scrutiny Committee's report states: "the Minister was unable to point to any specific disadvantage that would have occurred from these Regulations conforming to the 21-day rule."

is difficult to execute and would have increased risk. Any delaying process would have eaten into the campaign and inhibited the clarity and direction of the campaign, The Government did impose that six-month objective but that is focussing on a real-world problem. The decision to slow that down would have been unacceptable in its real-world impacts.

In terms of what would have happened had there been a delay the nature of these urgent decisions means there is not likely to be detailed data gathered to support them. As the Department moves onto the evaluation and to assess the impacts of the different elements that data will be gathered.

(s) An earlier response stated that the Department needed to give the work coaches clear directions – do you have confidence that that message will be clear throughout the UK?

There are a number of actions to make sure those messages land. Work and Health services make sure work coaches are skilled at applying legislation and policies. The work coaches already know how to deal with permitted periods, it's a straightforward change for them to adjust to four weeks. The internal communications system has been busy, with team leaders who coach work coaches, through the operational leadership hierarchy, guidance materials on the intranet, e-learning updates, the digital build meaning that the permitted period can only be four weeks on the computer system, and the rationale has been explained to work coaches so they understand why, not just what. All the evidence and feedback is that they are clear on what they are doing. This element is centre stage in staff communications, and there is a feedback loop which identifies where there is uncertainty. That guidance can be shared with the Committee.

(t) As these regulations have a time limited objective was it considered whether they should be time limited, as with many of the Covid regulations?

As it is unknown what the situation will be at the end of June it was thought better to make any decision then, rather than have a sunset clause.

(u) On evaluation and monitoring, what precisely is the 500k target and how will you know when it is met? Will you be able to measure the impact of the permitted period change on that target figure?

The 500k is the number of those not in work, on UC and NS JSA, who find employment, or self-employment, before the end of June. It is hard to disentangle these regulations from other aspects of the 'Way to Work' programme. There is counting of the number of people entering work, and breaking that down by characteristics, monitoring adverse consequences, looking at differences in earnings levels, and the number of people being sanctioned. There may be a formal impact evaluation at the end and different techniques are being looked at to capture this data. There may some consultation with the Institute for Fiscal Studies on these problems.

(v) From what you have seen so far is the four to 13-week group flowing into work?

There are no targets for specific groups, so presently it cannot be said whether there has been a noticeable impact. There is a time lag built in given the nature of the UC system, the time to get a job, the time to get paid...etc. It is very early in the process since the regulation change, and any thoughts are welcome on what should be monitored and on what risks and mitigations should be considered.

(w) The regulations were in force on February 8, and there was a four-week grace period before any permitted period ended. Does that mean there were four weeks where scrutiny could have taken place before there were any material impacts?

No, as the actions that needed to take place included the claimant commitment discussions. The activity does not only happen at the end of the permitted period.

(x) All those people who received the transitional four-week protection would have to be notified, so do you know how many people were notified? Do you know how many people have a permitted period applied to them? The message is that these regulations are urgent, but if only a small number of people are impacted then is there a compelling reason for urgency?

The campaign has been running since the end of January, and with the fourweek transitional period, the number of people affected thus far is a small proportion of those who will be affected by the end, due to that time lag. The lag is another reason for urgency, as the Department had four weeks fewer to meet their target. The Department will endeavour to give you figures on how many are affected each month.

(y) Do you have a sense of scale of the required impact so as to reach the 500,000 target? As a model one could take the 500k target, then work out how many people would be expected to find work in the normal course of events, then the remainder is how many that the incremental 'Way to Work' actions need to pick up. These various actions must affect the flow of x number of people per month to achieve the goal, and you would have

a back of the envelope framing of the problem. From that the Committee could see that these regulations were a critical part, as if you started later that target could not be met.

The counterfactual is hard and the baseline is hard to set. What is known is that by changing the permitted period the cohort who are available for a wider range of jobs is expanded and is larger than it otherwise would have been. It is difficult to have precision about any particular intervention, the campaign is about the whole range of them. This point shall be taken away to be considered.

(z) Earlier it was stated that you are tracking for protected characteristics, could it be stated which ones? The previous Equality Analysis only mentioned the positive impacts, will another analysis be prepared? Will the Department track the use of easements, as there may be a move towards being less liberal with those easements to meet the target?

There is data collated on protected characteristics, but it is reliant on selfreported information. The specifics are not to hand but that can be shared. In terms of the Equality Analysis that will be looked at again in any future decision on these regulations. In terms of easements, work coaches are always expected to consider the suitability of work and work search based on health conditions or caring responsibilities and that has not changed. There is data but the specifics of that are not to hand but can be shared later.

(aa) On the interaction between easements and the permitted period, if a person has reduced work search hours per week, are they not disadvantaged compared to someone who has full work search hours, as the latter has more time in their four week permitted period to search their preferred sector?

The permitted period change does not affect any circumstances around the easements.

(bb) Earlier it was stated that there is not a figure for the number of people who have a permitted period applied, and neither are their characteristics known. Without that information there is no means by which to assess whether there was a positive or negative affect, as there is no way to measure the before and after. Did you consider having a comparison area where the regulations were not applied to have a comparative test?

The quality of data in relation to protected characteristics varies, depending partly on self-report information. There is no reasonable estimate of the numbers of people with a permitted period as there is not confidence in what is recorded on the computer system. Doing a trial in a certain location would not have been desirable. There is operational complexity added, and it is harder to explain the position. Ministers wanted to make the change through regulations which would become much more complex. Returning to the policy intent, as this change is seen as being positive, it would have meant denying that positive impact from that cohort, and there would be legal complexity around the different treatment.

1.4 The Chair thanked Jonathan, Ian and Tom for their candid evidence and noted that a decision on whether to take these regulations under formal reference would be made once the Committee had further considered the evidence from this session.³

³ Subsequent to this meeting, and following further engagement with the Department, the Committee concluded that it would not take these regulations on formal reference. However, the scrutiny session on 28 March had raised some issues which the Committee concluded merited further consideration. These areas of concern, along with the Committee's recommendations for addressing them, were set out in <u>correspondence from Dr Stephen Brien (SSAC Chair) to the Secretary of State for work and Pensions on 23 June 2022</u>.

Attendees

Guests and Officials

Item 1:	Jonathan Mills (Director General, Labour Market Policy) Ian Caplan (Director, Employment, Youth and Skills) Tom Younger (Deputy Director, Labour Market Analysis)
Secretariat:	Denise Whitehead (Committee Secretary) Richard Whitaker (Assistant Secretary)