

**Social Security Advisory Committee**  
**Minutes of the meeting held on 7 July 2021**  
**(held via Microsoft Teams)**

Chair: Dr Stephen Brien

Members: Bruce Calderwood  
Carl Emmerson  
Kayley Hignell  
Seyi Obakin  
Charlotte Pickles

Apologies: Chris Goulden  
Philip Jones  
Grainne McKeever  
Dom Morris  
Liz Sayce

**1. Private session**

*[RESERVED ITEM]*

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

2.1 The Chair welcomed Zoe Garrett (Grade 6, Universal Credit Policy) Matt Shortman (Grade 7, Universal Credit Policy), Niamh Parker (Grade 7, Universal Credit, Self-Employment) and Ian Biggar (SEO, Universal Credit, Self-Employment) to the meeting, and thanked them for providing answers to questions raised by the Committee before the meeting.<sup>1</sup>

2.2 Introducing the regulations, Zoe Garrett noted that gainful self-employment (GSE) has been suspended for 18 months, and these individuals had been on Universal Credit (UC) without support or contact from work coaches throughout that period. As the UK emerges from lockdown, there are a large number of individuals who have moved onto UC since beginning of pandemic, and it is not known if they are in the right conditionality group. The Department plans to start having conversations with claimants, apply the GSE test to see if their business is or is not viable and, where necessary, put them onto the 'Plan for Jobs'. The regulations give the Department capacity to do this over a 12-month period. There is still a degree of uncertainty, which is why these regulations allow for a good deal of discretion.

2.3 Committee Members raised the following main questions in discussion:

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<sup>1</sup> The Committee's questions, and responses received from the Department, are held at annex B.

- (a) **One could say there are three different cohorts:**
- a. **first, the new group which applied for UC during the pandemic. That group will have a 12-month start-up period applied, and therefore on one level that group causes less concern.**
  - b. **a second cohort are those whose start-up period has partially expired, and they have some months of the start-up period left to run.**
  - c. **the final cohort are those who were already in the Minimum Income Floor (MIF) regime, without any start-up period left to run, and who therefore could have the MIF reapplied quickly, and with whom you are making contact first.**

**For the second group there is potential confusion and communication challenges, and for the third group there is the possibility of a marked change to their circumstances as the MIF is restored. How is the Department planning to treat the three groups? Is there a tailored approach and, if so, how do communications for them differ - particularly for the third group which arguably needs to be handled more sensitively?**

Looking at the third group first, the Department is working from the oldest cases as it progresses chronologically. These individuals understand the system quite well already, they know what the MIF is and have a general level of understanding. The work coaches will have a further GSE talk with them to discuss things that may have changed during the pandemic, and explain that - if they are still GSE - that the MIF would be reinstated in one AP's time. They would also discuss the impact of that change with them.

- (b) **When will they first receive any advice about the changes?**

The very first people will be contacted during the first week in August, when they will be told that the Department is considering GSE and the MIF. They will be invited to have a conversation about that within the following fortnight. The 'pre-Covid cohort' will have a 30 min conversation with a work coach, discuss their business, and determine GSE. Every case will be different. If they are deemed not in GSE they will be moved over to a different group. The Department would also expect to see the next group - the partial start-up period group – within the first few months.

- (c) **Of the 60,000 who entered pre-pandemic, how many have a fully expired start-up period vs those whose start-up period is partially expired?**

The Department does not have aggregate data from within the UC Service on the number of start-up periods that have partially expired, as all start up periods have technically expired. As part of the GSE conversation, work coaches will be looking back at data within each case to identify unused start-up period and apply the balance of time that is remaining on a case by case basis, wherever this is applicable.

**(d) When will the partial start-up group first be notified?**

When they are invited to the work coach interview. The division was made between the pre-pandemic group, the during pandemic group, and the post-pandemic group (new claimants). The partial start-up group, as part of the pre-pandemic group, are notified once the Department is ready to call them to interview.

**(e) Would there not be merit in notifying them earlier, so that they have more advanced notice of what is going to happen, rather than issuing no communications for many weeks and giving them just two weeks' notice?**

Mass communications were considered, but as this interview process will take months to work through the caseload, it was felt that issuing communications at the start of the process may not be effective, when many people will not be asked to come in for many months. Also, it wouldn't be known how people would be affected until they have the GSE interview. A Written Ministerial Statement would be made in Parliament and the Department will work with the press to avoid confusion.

**(f) The pre-Covid group is expected to be completed by mid-September. For this group, who have a relatively short wait, is it worth thinking about initial communications separately?**

The Department has carefully considered our communication approach for this group, but are happy to provide this helpful feedback to the design team.

**(g) The discretion is useful – could you explain the types of factors that would be considered, and the types of evidence the Department would require?**

The work coaches will be able to use their local knowledge of regional geographical problems and how Covid rules are impacting different businesses. For example, hairdressers may not be able to have as many people in their salon because of social distancing and an enhanced cleaning regime between customers. They will, therefore, apply information particularly around how Covid guidance impacts businesses. It is difficult to give detailed examples. Other issues that would be considered are earnings data and the health of the individual concerned (including long Covid). It will be left to the discretion of the work coach who will have access to all of the relevant information.

**(h) Using the example of the hairdresser – does the work coach consider the Covid rules as they apply at the time of the decision, but not how it applied in the past? Some businesses will only just be opening up based on more open guidelines.**

Past income is an important indicator of whether businesses are still in recovery. The Department will also take into account past SEISS grants, and previous eligibility for those schemes.

- (i) **You mentioned health conditions – what happens if someone cannot be vaccinated for, say, a health reason? Would that be a valid reason not to work in certain jobs?**

That is not something that was specifically considered, but the Department will look at that scenario as it develops its guidance.

- (j) **Running with the hairdressing example, when the Covid restrictions are behind us, you might expect the number of hairdressers to return to normal pre-Covid levels – but other industries will not recover in the same way. Will work coaches consider whether there is likely to be a return to ‘normal’, or whether the amount of work available is simply less?**

That is the reason for a limit of six assessment periods of Covid-affected discretion. Once you get to six months of discretion, the Department has to consider that the business might not recover. This will be a key feature of the GSE interview.

- (k) **Is there a rapid feedback loop as circumstances change in the field?**

The Department will try to get feedback on a weekly basis to begin with, and less frequently over time. It will continue to be kept under review.

- (l) **The time limit of six months seems sensible, but there may be groups for whom six months may not be sufficient. For example, those who have not been vaccinated, or individuals whose business is seasonal. Is there any contingency to cover such circumstances?**

There is no contingency – the maximum is six months. However, this is all being kept under review so, if there were large numbers still requiring discretion, this would be discussed with the Secretary of State so a view could be reached on whether further adjustment to the regulations was appropriate.

- (m) **As well as helping the claimants with support, would work coaches also be exploring whether fraud is at play?**

Fraud and error is a concern. There has been more entering the system during the pandemic. The work coaches are there to support the claimant, and that is the main intention. However, it is possible that these interviews will identify fraud. HM Treasury is concerned about the need to combat fraud, but it is only a part of the overall objective. There is a risk of people drifting away from the labour market, so they remain the Department’s primary concern.

- (n) **Could a draft of the discretionary guidance be shared when it is complete?**

That is a possibility. The Department will explore that further and respond outside of the meeting.

- (o) **In terms of the effect of the Secretary of State’s powers to declare the end of the MIF suspension, is it correct that this is a blanket power that will affect all cases (except those where the start-up period is ongoing, or where there has already been a decision to award a period of Covid discretion)?**

Yes, that is correct.

- (p) **If the Secretary of State does use this power, and the claimant is still in the start-up period, is it correct that individuals would retain the rest of their start-up period?**

Yes, that is correct. The only thing that would be removed is the ability to make a Covid-related discretionary decision.

- (q) **The Equality Analysis (EA) assumes there is no difference by cohort (pre-Covid, post-Covid), so therefore there are no impacts. However, the pre-Covid group is on average 18 months older, and there also likely difference by race and other characteristics – so the EA should have said there may be differences. Is that equality data not captured?**

No, the Department does not know about the breakdown of the cohorts by characteristics.

2.4 The Chair thanked Zoe Garrett, Matt Shortman, Niamh Parker and Ian Biggar for attending the meeting, and for answering the Committee’s questions. Following a period of private discussion, the Committee agreed that it would not take the regulations on formal reference and that they may proceed accordingly. However, the Chair would write to the Minister for Employment highlighting a number of observations about how the proposals might be further strengthened.<sup>2</sup> The Committee also requested an opportunity to comment on the draft guidance before it is shared with work coaches at the end of the month.

### **3. *Date of next meeting***

3.1 The Committee’s next meeting would take place on 21 July 2021.

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<sup>2</sup> Letter to the Minister for Employment is held at annex C. The Minister responded on 8 July and a copy is held at annex D.

**Attendees**

Guests and Officials

Item 2: Zoe Garrett (G6, Universal Credit Policy)  
Niamh Parker (G7, Universal Credit, Self-employment)  
Matt Shortman (G7, Universal Credit Policy)  
Ian Biggar (SEO, Universal Credit, Self-employment)  
Hugo Dale-Rivas (Observer)  
Vanessa Dockery (Observer)

Secretariat: Denise Whitehead (Committee Secretary)  
Jaishree Patel (Assistant Secretary)  
Richard Whitaker (Assistant Secretary)

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

### **Pre-meeting exchange of questions from SSAC members and responses from the Department**

- 1. Some UC recipients will start to be impacted by the MIF from September. But given the JRS and the £20 uplift on UC don't expire until the end of September was consideration put to aligning the beginning of the reintroduction of the MIF with that, so that no losses are incurred until October? Wouldn't there be a sensible case for alignment?**
  - The claimants we will re-engaging with first have had little or no contact for well over a year now. Whilst it was absolutely right that we removed the MIF during the height of the pandemic, it's also right that we re-engage with this group as early as possible as the economy opens back up.
  - We want to ensure that we are providing support to these claimants, some of whom may no longer be self-employed and could therefore be at risk of drifting further from the labour market.
  - We also have a responsibility to protect the public purse, with recent fraud statistics suggesting that the suspension of the MIF is partly responsible for increased fraud and error.
  - The number of claimants who will see an impact on their UC award before the end of September is expected to be in the very low thousands, with the earliest someone will receive a reduced award being mid-September (which aligns with the ending of other Government support).
  - The provision of work coach discretion to temporarily suspend the MIF on a case-by-case basis gives an additional safety net for those whose businesses do continue to be temporarily impacted.
  
- 2. On the maximum number of APs that the discretion of regulation 2(3) can apply to (six) – was it necessary to specify a maximum? If there was no limit, then any unforeseen circumstances related to the course of the virus could be left to the discretion of the decision maker, following the criteria of regulation (2)(3). Also, please could you confirm that the maximum of two APs at a time which a decision maker can suspend the MIF, means only another decision must be made before you continue to suspend, it does not imply there must an AP where the MIF is reintroduced?**
  - The maximum number of APs that the discretion can be applied recognises that there is a point where a claimant may, due to their ongoing circumstances, no longer feel they are able to be self-employed. In this situation, they will receive support to move into employment through our

comprehensive £30 billion Plan for Jobs which is helping millions of people across the country.

- The risk of not providing a maximum number of APs that the discretion can be applied is that the taxpayer ends up supporting a claimant who is no longer gainfully self-employed indefinitely.
- Work coaches will be able to give three consecutive two-month suspensions - There does not need to be an AP between each suspension. However, there will be a team leader check before the third and final suspension.
- Should the public health position take a sudden turn for the worse, these regulations enable the Secretary of State to dis-apply the MIF to everyone.

**3. What factors will be taken into account when determining whether a claimant remains adversely affected by the outbreak of Covid-19? Is it correct that some claimants will be deemed to be in this position even if all social restrictions are lifted? Will the factors perhaps be based on specific industry wide factors, or on local circumstances? Will consideration be put into whether the claimant could switch industry (or switch to being an employee)? Was consideration given to including some broad criteria/principles for this easement within the regulation itself? Do you have any draft guidance for staff or examples that you could share with the Committee at this stage?**

- Work coaches are best placed to make the decision on the use of the temporary discretion because of their knowledge of the claimant, their business and the local area.
- The individual circumstances of each claimant will be looked at on a case-by-case basis, with considerations including recent earnings information, illness, any local or national restrictions, and SEISS eligibility and payments. This will ensure that no sector is discriminated against, in line with existing policy and practice.
- Guidance on when and how work coaches can apply the discretion is in development and will be made available closer to the coming into force date. It will give practical examples of situations in which the discretion could be applied.
- Work coaches will be available to offer advice and support for any claimant whose business continues to be impacted by COVID-19 restrictions.
- Where the maximum number of APs that the discretion can be applied has been reached, the claimant may, due to their ongoing circumstances, no longer feel they are able to be self-employed. In this situation, they could be moved into a more appropriate conditionality group and would receive support to move into employment through our comprehensive Plan for Jobs.

**4. How will claimants demonstrate this adverse Covid impact in practice? What evidence will be expected to be given to support this? Do you have any worked examples of this process that you could share with the Committee? Will there be quality checking of these decisions, and**



**will claimants have any ability to challenge/escalate decisions they don't agree with?**

- As above, work coaches will use a range of factors to understand a claimant's individual circumstances and make a decision on a case-by-case basis. Work coaches are best placed to make the decision on the use of the temporary discretion because of their knowledge of the claimant, their business and the local area, as well as self-employment more broadly.
- The guidance is in development and will be made available to staff closer to the coming into force date. It will give practical examples of situations in which the discretion could be applied.
- A team leader check will take place before the third and final suspension is applied.
- Claimants who do not receive a temporary suspension of the MIF, have the MIF re-applied and want to challenge the impact of this determination on their UC award can use the Mandatory Reconsideration and Appeal process.

**5. Bearing in mind the number of MIF restoration cases that may be appealed, has consideration been given to helping claimants better understand the reasoning for the decisions? Is this a chance to improve decision letters so that claimants are given the specifics on their decision, given how complex this will be for claimants to work out?**

- We recognise the importance of communicating clearly with claimants and making sure they understand what is happening and why. Notifications and messaging in the UC Service are being carefully considered and reviewed as part of the delivery of this change. Information for self-employed claimants on [GOV.UK](https://www.gov.uk) and the [Understanding Universal Credit](https://www.gov.uk/guidance/understanding-universal-credit) website will also be reviewed and updated.
- Every claimant will have a conversation with their work coach as part of the re-engagement process. This conversation will give work coaches the opportunity to help their claimants understand the decisions that have been made, as well as their rights and responsibilities.
- While we can't commit to improving decision letters ahead of these regulations coming into force, this is an area which can be looked at in the future as the Service continually develops and improves.

**6. These discretionary decisions may be unevenly applied – aside from the guidance, what is the process to ensure there is reasonable consistency? Will there be a review of these decisions generally to ensure consistency in the application of the guidance, and if so, will any details from such a review be published?**

- Every claimant deserves to have their case looked at on its own merits, with targeted discretion for work coaches more appropriate than the previous blanket application to all.
- Work coaches are best placed to make the decision on the use of the temporary discretion because of their knowledge of the claimant, their business and the local area, as well as self-employment more broadly. Work coaches will use a range of factors to understand a claimant's individual circumstances and decide on a case-by-case basis. The general criteria against which these decisions can be made will be consistent for each claimant.
- We are firmly committed to evaluating and monitoring the impact of our policies. If there is evidence of inconsistent application of the discretion, we will work with service design and service delivery colleagues to consider what can be done to address and correct this.
- The Team Leader check before the third and final suspension is applied will also help to ensure consistency of application over time.

**7. What factors will the Secretary of State consider when deciding whether the economic situation has “sufficiently improved”, triggering regulation 2(4)? Was a more targeted approach considered, rather than the blanket approach of this regulation? What is the expected mechanism for this declaration to be made?**

- We will provide further advice to the Secretary of State before such a decision is made, and it will only be withdrawn after careful consideration of a range of factors. One such factor may be that work coaches are no longer using the discretion.
- If the decision is made to withdraw the discretion, then no one being protected by a temporary suspension of the MIF will be impacted until the agreed suspension comes to an end.
- Once the decision to withdraw has been made, additional planning activity will be required in order to halt operational activity, and consideration will be given at this time as to how we communicate the withdrawal to Parliament, stakeholders (including SSAC), staff and claimants.
- This regulation is intentionally drafted to allow targeted discretion for work coaches rather than the previous blanket application to all.

**8. Also, it is noted that the safeguard of 2(5) applies for those people who have already been granted a suspension of the MIF. But what happens for those who are in the queue to be assessed, (and who may have had a suspension of the MIF granted), but then the SoS declaration occurs?**

- The vast majority of those who will be found gainfully self-employed after September will be eligible for a 12 month start-up period, which will continue to protect them from the reapplication of the MIF, regardless of whether or not the discretion has been withdrawn.
- If the discretion is withdrawn, it will be due to the fact that the discretion is no longer considered necessary due to improved economic conditions.

- The MIF will remain at zero until a claimant has had their GSE decision made. A temporary suspension of the MIF would only be granted and applied after someone has already been assessed and found to be gainfully self-employed. They will not have been granted a temporary suspension of the MIF in advance.

**9. What communication will be made to these claimants so they are aware that the MIF may be restored to them at some point, and the sudden impact that may have on their UC? Is the amount of notice claimants will get always at least one month?**

- The vast majority of claimants found to be gainfully self-employed will be entitled to a start-up period.
- At the point we are ready to re-engage with the claimant, they will be notified by a journal message that a gateway interview will be scheduled to discuss their self-employment. At least one week's notice will be provided between the journal message and the appointment. The journal message will explain why we need to re-engage with them, and what that might mean in terms of reintroducing the MIF.
- Every claimant will have a Gainful Self-Employment meeting with their work coach. As part of this conversation their work coach will talk to them about the MIF and the impact it may have before it is applied.
- Every claimant who will have the MIF reapplied will have at least one full Assessment Period warning before they see any change in their UC award.

**10. In terms of the gainful self-employment interviews, could you explain what interviewing "all existing claimants in chronological order" means? If that means by initial claim date, is there any potential unfairness in this, for instance older persons are likely to have been on UC for longer than younger persons?**

- "All existing claims in chronological order" means that we are working through the claims based on the initial claim date, with the oldest claims first. However, work coaches will have some discretion about which claimants they support first, subject to their knowledge of their caseload.
- We have pursued a policy approach which seeks to be as fair as possible to all claimants.
- It made sense to deal with the pre COVID cohorts first as they have been longest without support, and may have drifted furthest from the labour market. It is in our interests to re-engage with them as quickly as possible and to understand their current self-employment position.
- We expect to complete re-engagement with the pre-COVID cohort by the end of September 2021.

**11. Reintroducing the MIF in this way will lead to some claimants seeing a big drop in their UC entitlement from one month to the next (as the MIF goes immediately from 0% to 100% of its usual value). Was there any consideration given to a phased approach, such as gradually raising the level of the MIF over successive APs?**

- It has always been an important principle to apply the MIF consistently. By keeping a uniform application of the MIF we aid understanding by both claimants and work coaches.
- We don't want to create further complexity for work coaches who have an enormous task on their hands following the last year.
- The notice period gives claimants time to prepare for a change in their UC award, and work coach discretion ensures claimants whose businesses continue to struggle due to COVID restrictions can continue to benefit from a temporary suspension of the MIF.
- While it isn't appropriate to go over the full policy development process, we can provide assurance that Ministers have made decisions based on the advice that we have provided them with.
- The discretionary suspension policy is being put in place to act as a safety net for those are still struggling.

**12. Regarding the Equality Impact Analysis (EIA), what is the rationale for the predictions that cohorts won't change? What data exists about the impact of MIF prior to Covid that might be useful to understand the impact on different groups and the scale of the financial impact (positive or negative)? The EIA repeatedly says the department do not anticipate cohorts to change so presumably data prior to Covid specifically about MIF application will be of use. For example, what was the average financial impact (positive or negative)? What proportion of claims are accepted as GSE normally and does this vary by group or sector?**

- The UC self-employed group presented in these analysis means UC gainfully self-employed. If you are not gainfully self-employed then the MIF does not come into play and you are treated as any other employed claimant according to your work expectation and earnings.
- Our equality analysis is based on survey data (Family Resource Survey) which was conducted prior to the coronavirus outbreak and the data from 2020/21 is not available yet. The data from administrative sources is not as rich as from survey data and we do not know the characteristics of the gainfully self-employed population as yet.
- At this stage we have assumed that the cohorts will be similar to the pre-COVID cohort. However, this is uncertain and we will look to examine the available characteristics on administrative data of those newly found gainfully self-employed once the tests are reintroduced, as part of the ongoing monitoring of the policy.
- The overall impact of MIF per claimant is estimated to be £178 per month in UC. We do not have the impact of individual groups but what we know from a policy perspective is that disabled claimants are more likely to have lower levels of conditionality or assumed earnings from the MIF and hence we might expect the financial negative impact will be lower for disabled compare to the non-disabled claimants.
- Prior to the coronavirus outbreak, around half of the claimants who declared themselves to be self-employed in their claim were found to be gainfully self-employed.

**13. It is noted that no impact is expected on small businesses - given that this change specifically related to the self-employed this seems strange. Why is no impact on small businesses anticipated?**

- It is our understanding that this refers to requirements placed on small business by regulatory change. These regulations do not do this as they relate to the claimant.

**14. Given the impact of Covid on people with disabilities (that may include health conditions that leave people at greater risk from Covid) was consideration given to including specific measures to address concerns that this cohort might have in resuming self-employment? Is there any intention to cover this group as a special category in the discretionary guidance for continuing to suspend the MIF?**

- As the Equality Analysis demonstrates, we have carefully considered the impact of these regulations on people with disabilities.
- The impact of disability is already accounted for in the setting of the MIF. Where a person has limitations on the hours they can reasonably be expected to work, for example because they have a health condition or disability, their MIF level is reduced. Therefore, the level of the MIF matches the work expectations of other claimants in similar circumstances.
- As work coaches will consider the individual circumstances of each claimant on a case-by-case basis, people with disabilities whose businesses continue to be temporarily impacted by the coronavirus outbreak will be considered for a temporary suspension of the MIF.
- Claimants with long term or chronic health conditions, including those who are clinically extremely vulnerable, are likely to progress on the health journey. Claimants who, following a WCA, are placed in the NWRR group do not have a work expectation. They therefore cannot be found GSE and will not be subject to the MIF, and will have their UC calculated on actual earnings.

**15. In the EIA it sets out that the policy intent is to provide the correct support to people - would be useful to set out clearly any intent around preventing 'zombie'/non-viable businesses?**

- Given most self-employed claimants have had little or no contact for well over a year now, we want to ensure that we are providing support to these claimants at the earliest opportunity, some of whom may no longer be self-employed and could therefore be at risk of drifting further from the labour market.
- Reintroducing GSE tests will enable us to understand each claimant's individual circumstances and assess whether or not they are gainfully self-employed.
- For those found gainfully self-employed and entitled to a start-up period, quarterly Work Coach appointments will ensure claimants are supported to

grow their business. This includes signposting to local business advice services / providers to help claimants develop a robust business plan, adapt to market changes and make their business a success.

- At the end of the start-up period, when the MIF will be applied, WCs will discuss next steps with the claimant, including whether it is a viable option to continue with self-employment.
- Any claimant who is no longer gainfully self-employed will receive support to move into employment through our comprehensive Plan for Jobs.
- Work coach discretion to temporarily suspend the MIF will ensure that claimants whose businesses continue to be impacted by COVID restrictions do have additional time to recover and grow their business.

**16. What does treating new claims as ‘business as usual’ mean in practice? Is the thinking that once they have been deemed in GSE and have had their 12-month start-up period applied that there will be no need for any Covid related impacts to be measured as they will be protected from the MIF beyond the time these regulations have effect (end of July 2022)?**

- Treating new claims as business as usual means that we will process claims made after 31 July in the usual way, in parallel with work to clear the pre-COVID and COVID cohorts. This will ensure that anyone making a claim for UC for the first time and declaring themselves to be self-employed will not see a delay in accessing the support they need, and we will not add to the existing backlog.
- The vast majority of new claimants found gainfully self-employed will be entitled to a 12-month start-up period that will be in place beyond the time these regulations have effect. Any new claimant found gainfully self-employed but not eligible for a start-up period (perhaps because they have previously had a start-up period in the last five years) will still be entitled to a one Assessment Period notice that the MIF will apply, and may be eligible for a work coach discretionary suspension of the MIF if their business is being affected by COVID restrictions.
- While it is too early to plan for activity from the end of July 2022, as we have done previously we will return to consult with you about the possible next steps in due course.

**17. Regarding Northern Ireland, what would be the impact of the Department for Communities determining that it's not appropriate to end the MIF suspension? If NI did not follow suit, would the funding for this policy choice come from HM Treasury or the NI Block Grant, and have you had discussions with NI officials on how the regulations would be applied to NI?**

- We have worked closely with officials in Northern Ireland and they are fully aware of the draft legislation and the implications of any future divergence in policy, which includes needing to address how this would be funded.

Officials in the Department for Communities continue to work on how the regulations will be applied to NI and funding is a matter for them to agree with HMT.

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



Department  
for Work &  
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Minister for Employment

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08 July 2021

Dear Stephen,

Thank you for your correspondence dated 7 July 2021, and for confirming that SSAC are content with The Universal Credit (Coronavirus) (Restoration of the Minimum Income Floor) Regulations 2021 and will not be taking the regulations on formal reference. We are grateful for the scrutiny of the Committee, and confirm that these regulations will be laid on the 8 July.

Please find responses below to the concerns you have raised.

### **Communicating the reintroduction of the MIF**

We carefully considered the best way to communicate this change to claimants, adopting an approach which avoids creating concern and uncertainty amongst those who may not be affected for many months. We will communicate the reintroduction of the MIF to individual claimants directly and have committed to send a journal message to each claimant at least a week before their gateway interview to provide notice that we need to review their current status. Work Coaches will then explain in one to one conversations with claimants what it means to be gainfully self-employed on UC and have the MIF applied. Additionally, and importantly, a notice period will ensure that no claimant who is due to have the MIF applied will see a reduction in their UC award for at least one month from the point at which their gainful self-employment decision is explained to them.

Information for self-employed claimants on GOV.UK and the Understanding Universal Credit website will be reviewed and updated ahead of the coming into force date. We will also update DWP stakeholders to ensure that they are fully aware of the changes and able to provide up to date and accurate advice to claimants that get in touch.

### **Application of discretion**

While the guidance for staff is still currently in development, we can commit to sharing this with you in the week leading up to these regulations coming into force on the 31<sup>st</sup> July, and to considering any comments the Committee might have.

## **Learning and agile response**

We are firmly committed to evaluating and monitoring the impact of this policy, as we do with all new policies, and will consider evidence from a range of sources. Officials from policy, service design and service delivery will meet weekly and work closely to ensure that this policy is being implemented as intended. These conversations will be supported by data from within the UC Service itself, as well as evidence provided by the Service Innovation Lead (SIL) network in each Jobcentre who have responsibility for gathering feedback directly from Work Coaches. We will use this information to determine whether any changes are necessary.

I trust that these answers provide the reassurance you're looking for, and thank you and the Committee once again for your support with these regulations.

A handwritten signature in cursive script, appearing to read 'Mims', written in black ink.

**Mims Davies MP**  
**Minister for Employment**